

## Functional Series 200 – Programming Policy

### ADS 201 – Planning

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## ADS 201 – Planning

### 201.1 OVERVIEW

Effective Date: 01/31/2003

**Planning** is a process that assists USAID in identifying appropriate results, developing approaches to reach them, assigning needed resources, organizing ourselves to achieve, and identifying the means to measure progress. **Strategic planning** refers to that part of the planning process where goals and objectives are defined and approved and performance measures are identified. **Activity planning** defines the specific outputs needed to achieve agreed-upon results and the means for achieving them. Activity planning also identifies the types of institutions that will actually produce the outputs, estimating costs, and identifying formal agreements that will be needed to provide USAID financing. Planning at each of these levels has distinct requirements.

The planning process is considered complete when USAID develops and approves Strategic Objectives (SOs) and Results Frameworks, forms SO Teams, identifies performance indicators and targets, and develops and formally approves for implementation specific activities.

\*Planning requires the participation of many actors, including Washington customers, USAID partners, host country governments, the donor community, non-governmental organizations (NGOs), private voluntary organizations (PVOs), faith-based and community organizations (FBCOs), individuals from the private sector, and ultimate customers in the host countries. Participation helps ensure that development problems and opportunities are adequately identified and analyzed and that informed choices are made about the proposed results. In the case of public-private alliances, planning requires joint definition of problem solving by all partners and an explicit agreement among development partners to share resources, risks, and results in the pursuit of an objective that can be better obtained through joint effort. Participation is essential to ensuring the long-term sustainability of assistance programs.

**Levels of Planning.** As summarized in Figure 201A, Levels of Planning, planning occurs at four principal levels in USAID. First, at the Agency level, there is an Agency Strategic Plan and Annual Performance Plan; together, these documents describe results and resources by Agency goals and country, regional, or worldwide program objectives. Second, regional and sectoral planning takes place primarily in Washington Bureaus. Third, Operating Unit Strategic Plans define specific multi-year Strategic Objectives (see **201.3.7**, including Special Objectives (**201.3.7.9**) and Program Support Objectives (**201.3.7.10**)) that specify how Agency goals will be pursued in a specific country, region, or sector. Fourth, Operating Units and their SO Teams plan individual activities that will realize these results, typically through transfer of program funds to implementing entities. Activity planning focuses heavily on the definition of outputs, the types of institutions that will achieve these outputs, and the acquisition and assistance instruments that formalize the relationship between USAID and the implementing entities that receive USAID funding.

**Figure 201A, Levels of Planning**

<b>Level of Planning</b>	<b>Responsible Units</b>	<b>Description</b>
<b>Agency</b>	Bureau for Policy and Program Coordination (PPC)	<p>USAID produces a multi-year Agency Strategic Plan (ASP). The ASP provides a more detailed articulation of USAID contributions to U.S. Government foreign policy goals described in the International Affairs Strategic Plan (IASP).</p> <p>The Annual Performance Plan (APP) and Congressional Budget Justification (CBJ) provide details on how the ASP will be implemented and funded in specific years.</p>
<b>Bureau Planning Frameworks</b>	Regional Bureaus and Pillar Bureaus	<p>General planning frameworks are sometimes developed for regions, multi-country groupings, or individual countries. Goals spelled out in such frameworks are used to guide selection and planning of Strategic Objectives.</p> <p>Specific sectoral approaches may also be developed, based on experience of what works, to guide Operating Unit planning.</p> <p>Bureaus select countries to which assistance is provided and determine management approaches.</p> <p>The annual Bureau Program and Budget Submission (BPBS) describes programs and budget needs for a given fiscal year.</p> <p>Planning parameters for specific Operating Unit strategies are developed at the Bureau level.</p>
<b>Strategic Objectives (SOs)</b>	Operating Units	<p>Each Operating Unit develops a Strategic Plan that defines and justifies the Strategic Objectives (including Special Objectives and Program Support Objectives) it seeks to achieve during a set planning period.</p> <p>SOs provide the basis for notification to Congress, request of funds, and progress reporting.</p> <p>In terms of planning, Annual Reports describe adjustments to Strategic Plans; justify current year funding (as part of the Congressional Budget Justification); and request funds for the next fiscal year to implement approved Strategic Objectives.</p> <p>At a country level, Strategic Objectives are reflected in the Mission Performance Plan (MPP) prepared by the Embassy Country Team.</p> <p>SO Teams are formed.</p> <p>Pre-obligation requirements may be met at the SO level.</p>
<b>Activity</b>	SO Teams	<p>Defines the outputs needed to achieve SOs.</p> <p>Defines the type of institutions involved and their role in producing outputs and managing for results.</p> <p>Detailed acquisition and assistance plans, bilateral agreements, and other agreements form the basis for transferring funds from USAID to other entities.</p> <p>Pre-obligation requirements must be met at the activity level, if not met at the SO level.</p>

## 201.2 PRIMARY RESPONSIBILITIES

Effective Date: 01/31/2003

USAID organizations have primary responsibilities for aspects of planning as described below.

**a. Operating Units and Strategic Objective Teams** have primary responsibility for developing Strategic Plans and justifying Strategic Objectives (SOs) and designing activities to achieve them. In cases where implementation responsibility is transferred to other Operating Units, such as when Pillar Bureaus provide services through field support mechanisms, the Operating Unit that is home to the SO must ensure that adequate resources are transferred in a timely manner and that services are provided to the SO as agreed.

**b. Regional Bureaus** have a lead role in managing bilateral relationships for countries in a region and coordinating with the U.S. State Department and other U.S. Government entities on USAID efforts in that region. Regional Bureaus select countries in which USAID staff will work and decide when country and regional Strategic Plans will be developed. They provide support and oversight to Operating Units and manage the review and approval process for strategies developed by their Operating Units. Regional Bureaus allocate resources across their countries. Regional Bureaus have the lead in ensuring that country and regional programs in their region meet any constraints imposed by legislative sanctions. The Pillar Bureaus provide the range of technical support needed by Regional Bureaus and field Operating Units. Regional and Pillar Bureaus are responsible for ensuring cooperation in achieving shared objectives.

**c. Pillar Bureaus** consist of USAID technical leaders responsible for providing technical support to Agency programs worldwide. They have responsibility for defining specific sectoral approaches that correspond to specific Agency goals. These sectoral approaches reflect best practices and are used to guide strategic planning at the Operating Unit level. Pillar Bureaus are also responsible for developing and implementing specific strategies at a world-wide level to support, guide, and complement the work of field Operating Units and Regional Bureaus. Pillars also have the responsibility for planning and implementing worldwide Strategic Objectives (including Special Objectives and Program Support Objectives) through their central Operating Units. Strategic Plans or Bureau Planning Frameworks for Pillar Bureaus may articulate objectives and results that cover the Bureau's responsibilities for field support, technical leadership, and research. Pillar Bureau Operating Units also lead "Sector Councils," which contribute significantly to Agency decision-making including budgeting and external reporting.

**d. The Bureau for Policy and Program Coordination (PPC)** is responsible for ensuring that Operating Unit, Bureau, and Pillar and sector plans are consistent with Agency and U.S. foreign policy. PPC is also responsible for administering the Agency's "strategic budgeting" process. PPC has primary responsibility for defining Agency-wide policy and standards for planning and implementing the use of USAID-managed programs, Operating Expenses (OEs), and staff resources. PPC administers and

oversees the Agency's strategic planning and resource allocation processes including program, operating expense and staff resources. PPC also produces the Agency Strategic Plan (ASP), the Annual Performance Plan (APP), and the Performance Accountability Report (PAR) and provides policy guidance to USAID staff on operational and development policies related to program planning.

**e. The Office of the General Counsel (GC)** and its regional legal advisors provide legal support and advice to Agency Operating Units on the full range of operational matters pertaining to USAID programs.

**f. The Bureau for Management (M)** is responsible for staffing and management support considerations in the planning process.

**g. The Office of Security (SEC)** provides security services to protect USAID personnel and facilities, safeguard national security information, and promote and preserve personal integrity. Some critical functions of SEC are to lead the USAID Counterterrorism Task Force, coordinate counterterrorism activities for the Agency, conduct liaison with the U.S. intelligence community at the national level, and work closely with the U.S. Department of State on diplomatic security matters.

## **201.3 POLICY DIRECTIVES AND REQUIRED PROCEDURES**

### **201.3.1 Mandatory and Non-Mandatory Guidance**

Effective Date: 01/31/2003

This chapter describes both mandatory and non-mandatory procedures and practices. Mandatory procedures are identified with use of the words "must," "required," or other clear designation.

The non-mandatory procedures described in this chapter are intended to increase consistency and predictability of operations. Non-mandatory procedures are identified with use of the words "should," "recommended," "may," or other clear designation. Although Operating Units should generally follow these procedures, they may choose to deviate from them or adapt them to particular situations, especially when such deviations promote core values and increase cost-efficiency. Operating Units do not have to document deviations from non-mandatory procedures.

**Note:** To alert readers, the word "MANDATORY" will often appear at the start of a paragraph. The paragraph itself may contain a combination of mandatory and non-mandatory language, as signaled by the words listed above.

Special exemptions from some mandatory procedures are noted in the text. Assistant Administrators have authority to approve, as necessary, additional exemptions from the mandatory procedures beyond those exemptions specifically mentioned in this chapter. Approval for any such additional exemptions must be obtained in writing from the Assistant Administrator of the responsible Bureau and must be written as an action

memorandum cleared by the Bureau for Policy and Program Coordination, Office of Strategic and Performance Planning (PPC/SPP), and the Office of General Counsel (GC), before approval.

**Special Exemptions:** Certain programs are exempted from the mandatory procedures described in this chapter, including (1) emergency disaster assistance; and (2) emergency food aid authorized under Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended (Pub.L. 480).

### **201.3.2 Overview of Agency-Level Planning**

Effective Date: 01/31/2003

\*The Agency uses strategic budgeting precepts in a variety of ways. PPC is responsible for administering the Agency's strategic budgeting process (**201.2(d)**). Strategic budgeting is reflected in Agency planning and reporting documents, including the Agency Budget Submission and Annual Performance Plan (**201.3.2.3**). Bureaus are required to obligate funds against strategic objectives (**201.3.7**). Bureaus in their Bureau Program Budget Submissions must explain how they factored performance into their resource requests (**201.3.3.2**). Operating units must describe in their strategic plans the total estimated resource requirements, including program, staffing, and operating expenses for each strategic objective (**201.3.6.3**). These requests are made in accordance with the Annual Report Guidance, which describes the Agency's strategic budgeting model and how resource requests must incorporate performance and pipeline factors ([202.3.7.4](#)). The Agency provides new obligations on the basis of Annual Report requests and the strategic plans' estimates, which become the authorized funding levels for the strategic objectives when the operating units' strategies are approved (**201.3.7.7**). Operating units and their strategic objective teams are responsible for managing the resources made available to them so that planned outputs and results are achieved in a cost-effective and timely manner, in accordance with applicable regulatory requirements ([202.3.7](#)).

#### **201.3.2.1 Agency Strategic Plan (ASP)**

Effective Date: 01/31/2003

\*The Agency Strategic Plan (ASP) (see the mandatory internal reference, [DOS and USAID Strategic Plan, FY 2004-2009](#)) defines the Agency's mission and specific Agency goals and objectives. These goals and objectives provide a strategic framework within which Operating Unit Strategic Plans are developed and approved and resources are allocated. The ASP serves to present the Agency's programs to Congress, other U.S. foreign affairs agencies, and the public. The ASP is periodically updated based on significant changes in U.S. national interests, global and regional geopolitical considerations, country and customer aspirations, progress or lack of progress in achieving Agency goals and objectives, or new technical knowledge in a sector. PPC leads preparation of the ASP with the collaboration of all Bureaus and external stakeholders, such as Congress, the U.S. Department of State (DOS), the Office of Management and Budget (OMB), and other interested stakeholders, partners, and customers. The ASP is developed in accordance with Government Performance



and Results Act (GPRA) standards and OMB guidance. In August 2003 the Agency and the Department of State agreed on a joint strategic plan, which sets forth the direction and priorities for both organizations for the Fiscal Years 2004 to 2009. See the mandatory reference, [DOS and USAID Strategic Plan, FY 2004-2009](#).

### **201.3.2.2 Sector Planning Frameworks**

Effective Date:

\*Under the direction of the responsible Pillar Bureau and in coordination with Sector Councils, which are recognized groups of technical experts from the central and regional bureaus within a functional area, such as economic growth or health, the Agency may issue sector planning frameworks, which supplement the Agency Strategic Plan by providing greater detail. Such frameworks, often referred to as Sector Strategies, may range from brief statements of general priorities to detailed descriptions of sector goals, approaches and technical and operational guidance.

- \*Sector Planning Frameworks must be consistent with the overall mission, goals and objectives of the Agency as described in the Agency Strategic Plan. (see the mandatory internal reference, [DOS and USAID Strategic Plan, FY 2004-2009](#))
- \*Goals and objectives described in the Sector Framework are not Strategic Objectives and are not associated with expending funds as with Strategic Objectives, Special Objectives or Program Support Objectives. However, they can contribute to the technical design and rationale of an SO(s).
- \*Before preparing a Sector Planning Framework, the responsible bureau must consult with PPC/SPP.
- \*Once vetted and approved within the Agency, the Sector Planning Framework becomes a mandatory reference in the preparation of Bureau Framework (see **201.3.3.1**) and operating unit plans, including Strategic Objectives, Special Objectives and Program Support Objectives.

\*Sector Planning Frameworks will be posted on the Agency's Policy website at <http://www.usaid.gov/policy/> as they become available.

### **201.3.2.3 Annual Agency Planning Documents**

Effective Date: 01/31/2003

In accordance with guidance issued by OMB, based on legislation related to Federal Agency management and reporting, USAID prepares detailed planning and reporting documents that cover programs funded in each fiscal year. These documents include

- **Agency Budget Submission (ABS) to OMB.** Planning for the annual Agency Budget Submission to OMB involves the incorporation of budget submission information into an overall program and budget plan for individual Bureaus.

- **Annual Performance Plan (APP).** The APP updates the Agency Strategic Plan on a yearly basis and contains the most current articulation of Agency performance goals, performance measures, baseline data, targets, and development tactics for all Agency goals. The purpose of the APP is to plan results and performance measures that justify the Agency budget request for the following year. The APP describes the manner in which resource allocation decisions are made to achieve ASP goals and the methods used for performance reporting. PPC leads Agency-wide drafting of the APP.
- **Performance Accountability Report (PAR)** (formerly known as Agency Performance Report). The PAR informs the President and Congress about Agency performance and financial accountability during the most recently completed fiscal year. The PAR addresses progress in meeting the targets set in the APP submitted two years earlier to cover that particular fiscal year.

The above documents are created with information from each Operating Unit's Annual Report submission, combined with Bureau and Agency priorities. The APP and PAR are available on both the Agency external website (<http://www.usaid.gov/>) and internal website (<http://inside.usaid.gov>, which is only available within the USAID firewall).

#### **201.3.2.4 Interagency Coordination**

Effective Date: 01/31/2003

The overall national interests and foreign policy goals of the U.S. Government are described in the National Security Strategy (NSS) and the International Affairs Strategic Plan (IASP). The IASP provides an overall framework to help coordinate the efforts of all U.S. Government Agencies working in the foreign affairs arena. (For more information about the NSS, see <http://www.whitehouse.gov/>. For more information about the IASP, see the U.S. State Department website at <http://www.state.gov/>.) The USAID Agency Strategic Plan (ASP) is developed to be consistent with the NSS and IASP. The ASP provides a more detailed description of USAID contributions to foreign policy goals that relate specifically to the Agency's development mission.

The Agency coordinates closely with the U.S. State Department at several levels of planning. At a country level, the principal interagency coordination tool is the U.S. Embassy Mission Performance Plan (MPP). The MPP is the authoritative integrated interagency country strategy document prepared by the U.S. Embassy Country Team and approved by the Ambassador or Chief of Mission. MPP goals are based on the national interests and strategic goals contained in the IASP. The MPP is both a planning and reporting document. USAID officers participate in the preparation of MPPs; this preparation includes performance information on USAID SOs and related resource data. USAID officers participate in Washington MPP reviews for all countries that receive, or propose to receive, USAID funding. They also clear any MPP follow-up actions that relate specifically to USAID-managed activities.

Although the MPP summarizes USAID plans and funding requests at a country-level, its role in the Agency programming system is to enable and facilitate interagency

coordination. The MPP process is not designed or intended to serve as a USAID program decision-making tool. To ensure close coordination with the U.S. State Department on key decision-making actions, the Chief of Mission (Ambassador or Chargé) in a given country clears the USAID Strategic Plan and Annual Reports for that country. At the Washington-level, U.S. State Department officials are invited to participate in reviews of USAID Strategic Plans, when final decisions are made on objectives to be pursued with USAID-managed funds. In addition, USAID coordinates closely with the State Department on ABS development. Final request levels are approved by the Secretary of State. (see **201.3.3.2**)

### **201.3.3 Bureau Level Planning**

Effective Date: 01/31/2003

Regional and Pillar Bureaus play a major role in the process of making Agency-level plans operational. Bureau-level planning involves three major types of decisions:

- Decisions on Bureau or sectoral priorities that guide subsequent program and budget decisions, as provided in **201.3.3.1** and **201.3.3.2**;
- Decisions on management approaches for country-level programs, as provided in **201.3.3.3**; and
- Decisions on planning parameters used by individual Operating Units in preparing Strategic Plans, as provided in **201.3.5**.

Bureau-level decisions are made by consulting with many actors inside and outside the Agency. For example, USAID Bureaus are the major focal point for coordination with counterpart Bureaus in the U.S. State Department and other U.S. Government agencies.

#### **201.3.3.1 Bureau Planning Frameworks**

Effective Date: 01/31/2003

A Bureau may choose to develop one or more planning frameworks. Such frameworks may range from succinct statements of general priorities to detailed descriptions of specific goals and priorities for a region, sector, or country.

Due to their potential impact on Agency-level planning and reporting, and possible effects on the ability of the Agency to absorb and manage external earmarks and directives, the three requirements below apply to Bureau Planning Frameworks:

- Bureau Planning Frameworks must be consistent with the stated overall mission, goals, and objectives of the Agency as described in the Agency Strategic Plan (ASP).
- The programmatic goals described in planning frameworks must not be confused with Strategic Objectives (SO) and cannot serve as their functional equivalent.

Bureau goals cannot be used to (1) meet pre-obligation or strategic planning requirements; (2) notify Congress of our intent to obligate; (3) request funding for specific activities; or (4) structure formal performance reporting. To help avoid potential confusion with SOs, Special Objectives (SpOs), and Program Support Objectives (PSOs), the preference is to limit use of the term “objective” and to use other terms, such as “goal,” to refer to results described in Bureau Planning Frameworks.

- Before designing a Bureau Planning Framework, the responsible Bureau must consult early with PPC/SPP, which will determine, on a case-by-case basis, what clearances will be required. PPC/SPP’s determination will be based on the framework’s potential role in Agency planning processes.

In some instances, a policy or planning framework external to USAID may be relevant to the operations of USAID activities. External frameworks can be very useful for promoting communication and reflecting consensus within USAID and between the Agency, the U.S. State Department, U.S. Congress, host country governments, and other organizations and institutions. Such policy or planning frameworks may reflect foreign policy priorities or agreements established by the foreign policymaking process. Operating Units should include references to external frameworks in Strategic Plan documents to show the relationship between proposed SOs and the goals described in broader frameworks. Operating Units do not obligate funds against external foreign policy frameworks. Examples of external planning frameworks include the Greater Horn of Africa Initiative, New Partnership for Africa’s Development, Plan Colombia, Summit of the Americas, and the Opportunity Alliance.

#### **201.3.3.2 Bureau Program and Budget Submissions (BPBS)**

Effective Date: 01/31/2003

The Bureau Program Budget Submission (BPBS) is part of the Agency’s annual planning, performance/results reporting, and budgeting process. All Bureaus submit a BPBS each summer to the Bureau for Policy and Program Coordination (PPC) as part of the Agency’s annual budget and program review. The BPBS is based in large part on the Annual Reports submitted by Operating Units, and in turn feeds directly into development of the Agency’s Annual Budget Submission, which is due to the Office of Management and Budget (OMB) each fall.

The BPBS is prepared in response to detailed annual guidance prepared by PPC and issued by the Administrator. Typically, the BPBS includes detailed descriptions of each Bureau’s program and budget request broken out by Operating Unit (in the case of Regional Bureaus); Offices (in the case of central Pillar Bureaus); and by funding account. The documents include budget requests at various levels (often a base level as directed by OMB and a higher enhanced level) by program account, Operating Expenses, and staff, including a detailed discussion of each Bureau’s program. This includes, but is not limited to, how the Bureaus will fund various Administration priorities and Congressional directives and an explanation of how performance has been factored into the Bureau’s request for each sector.

The Administrator leads the formal review of each BPBS. Once these formal reviews are completed, PPC assembles the Agency Budget Submission (ABS), a unified program and budget request, which forms part of the U.S. State Department's overall submission to OMB. OMB reviews the USAID proposed request and provides the Agency with a "passback," whereby OMB establishes the levels for the President's budget request to Congress. This passback may be appealed depending on what it includes. If the passback is appealed, OMB reviews the appeal and provides a final "budget mark" (i.e., the Agency's budget level) to the Agency. The budget mark becomes the basis of the Agency's budget request within both the Government-wide President's Budget and Program Request to the Congress and the individual USAID Congressional Budget Justification (CBJ).

### **201.3.3.3 Alternative Approaches to Managing Programs**

Effective Date: 01/31/2003

Bureaus should ensure that appropriate programming tools are utilized in each country-based Operating Unit, based on the vulnerabilities inherent in the type of activities implemented and the inherently governmental functions necessary to implement a successful program. Factors to consider include the presence or absence of country-level Strategic Objectives, a country operating year budget (OYB), or U.S. Direct Hire (USDH) field staff. Four combinations of these factors are shown in Figure 201B, Illustrative Models for Managing USAID Country Programs, as four different management models. Alliance activity may be classified within any of the four scenarios below, depending on the management intensity called for by country-level Strategic Objectives. The management models are not mutually exclusive. For example, Models A and D are often used simultaneously for managing different activities in the same country.

Note that in Models A and B, the Operating Unit funding the program may be responsible for planning and reporting the activity through Activity Information Sheets, as described in [ADS 203.3.9](#).

**Figure 201B, Illustrative Models for Managing USAID Country Programs**

Model		Description	Country Level OYB is Projected	Country Specific USDH Staff	Applicable Planning and Reporting Tools
Non-Presence Country	<b>A</b>	No country-level Strategic Plan or SOs	No	No	Pillar or Regional Strategic Plan, related Annual Reports, plus Activity Information Sheets
	<b>B</b>	Country planning framework with goals, but no country-level Strategic Plan or SOs	No	No	Country planning framework, Pillar and/or Regional Strategic Plan, with related Annual Reports, and Activity Information Sheets
	<b>C</b>	Country-level Strategic Plan and SOs	Yes	No	Country-level Strategic Plan, plus Annual Reports (completed by Washington or regional Operating Unit)
Presence Country	<b>D</b>	Country-level Strategic Plan and SOs	Yes	Yes	Country-level Strategic Plan, plus Annual Reports (completed by field Operating Unit)

- Model A (No Strategic Plan or In-Country USDH Staff).** Model A represents the least amount of USAID country-level management effort and may be adequate when the nature and scope of activities require limited coordination and oversight. In this model, specific activities, including public-private alliances, are implemented but are not governed by country-level SOs (activities therefore are not funded through a country-specific OYB notification in the Congressional Budget Justification, and not managed by in-country USDH field staff). All activities are governed by one or more regional or sector Strategic Plans and their corresponding SOs (from a Regional or Pillar Bureau) and their corresponding Annual Report. Non-USDH USAID staff may or may not be present (such as Foreign Service Nationals (FSNs), U.S. Personal Service Contractors (USPSCs), and Third Country Nationals (TCNs)). For information on reporting, see [ADS 203.3.9](#), which pertains to Activity Information Sheets.
- Model B (Country Framework but No Strategic Plan).** Bureaus should use Model B when coordination and effectiveness of activities can be improved by defining a planning framework with country-level goals. Establishing such goals can be very helpful in improving coordination with the host country, implementing partners, and the U.S. State Department, as well as between USAID Operating Units. All activities should be managed in relation to the Regional or Pillar Strategic Plan and/or planning framework. Planning and reporting requirements

should be met at the Bureau level. As noted in **201.3.3.1**, the goals described in Bureau-level planning frameworks cannot be used for meeting pre-obligation requirements, planning budgets, notifying Congress, or requesting funds for activities. The initiating Bureau should determine what level of country-level planning detail and reporting is useful to communicate to interested parties. For information on reporting, see [ADS 203.3.9](#), which pertains to Activity Information Sheets.

- **Model C (Strategic Plan but No In-Country USDH Staff).** Bureaus should choose Model C when additional visibility and higher USAID management intensity are useful and when dedicated staff can be assigned to manage achievement of the SOs. This model does include a country-level Strategic Plan, with one or more Strategic Objectives (including Special Objectives and Program Support Objectives) and corresponding operating year budget (OYB) representing funding for the SOs. Existence of a separate OYB in the Congressional Budget Justification raises the visibility of the activities in that country, and formal annual reporting is triggered by the existence of SOs. A country-level Strategic Plan document and Annual Report become the basis for requesting resources, notifying Congress, and reporting progress. Activities conducted in the country are developed and managed by staff in regional or USAID/W Offices rather than in-country, usually as part of Regional or Pillar Bureau programs, including regional or global alliances. Activities funded through the country OYB are designed to support achievement of country-level SOs. With appropriate Bureau oversight, this approach works provided that the nature and scope of activities do not require full-time in-country USDH presence.
- **Model D (Strategic Plan, Project OYB Funding, and In-country USDH Staff).** Model D represents the traditional “presence” country approach, where full-time, in-country staff conduct the full range of planning, achieving, and assessing and learning functions. Model D is the most management intensive, and should be used whenever the nature and scope of activities to be undertaken are broad and complex enough to require extensive in-country decision-making and to manage significant accountability requirements at the input, output, and results level. This model summarizes a range of possibilities, from a very small field Operating Unit with one or two USDHs and few FSN staff to a very large field Operating Unit with 150 or more USAID employees.

Bureaus should periodically review the management approach used and determine whether levels of management intensity and oversight are appropriate. Certain trigger points may indicate that a change may be in order, such as significant changes in program funding levels, growth of or a decrease in the number of activities, or changes in the ability of host country institutions to implement activities effectively (for example, changes due to economic or political instability). Such reviews should directly feed into the annual Bureau Program and Budget Submission (BPBS) and review process, when Agency decisions are made on allocation of staff and OE resources across Bureaus, regions, and countries. (see **201.3.3.2**)



#### 201.3.3.4 Country Prohibitions and Restrictions

Effective Date: 01/31/2003

USAID is required to manage its programs and operations to comply with applicable legal restrictions (statutory and regulatory).

Legal restrictions are expressed in a variety of ways, such as restricting assistance to a particular country, a category of countries (such as those which are in arrears in repayment of debt to the U.S. Government), or in terms of a particular type of assistance (such as police assistance). Operating Units should use two types of checklists to assist in compliance with country restrictions: the "country" checklist and the "assistance" checklist. Each checklist summarizes various legal restrictions and provides a simple way to confirm and document that USAID-funded programs comply with restrictions. Both checklist templates are updated annually by the Office of General Counsel (GC) to reflect changes in legal restrictions, and are available from Regional Legal Advisors (RLAs) or GC legal advisors. (see the additional help document, [FY2004 USAID Statutory Checklists](#) (this document contains the Template for Country Checklist and Assistance Checklist)) These checklists do not contain the entire universe of legal restrictions that may be applicable in every instance. GC and RLAs determine whether particular countries or activities are affected by legal restrictions and whether particular waiver authorities may be exercised, based on facts provided by Operating Units. Public-private alliances are not exempt from these regulations, and early consultation with GC and Regional Legal Advisors is advised. The requirements for each statutory checklist are as follows:

- a. **Country Checklist.** Operating Units must complete a country checklist each fiscal year before the first obligation of assistance for that country. For countries with programs managed by Regional Bureaus or Operating Units in the field through a USAID country-level Strategic Plan, country checklists are prepared by the responsible Regional Bureau (typically by the Bureau country desk officer) and cleared by GC. Clearance by the Department of State desk for the country is advisable and preferred but not mandatory. Note that other units, such as USAID/W Office of Financial Management (M/FM) and the Department of State, may make determinations or provide information used in addressing checklist items. For regional activities that are not managed as part of a USAID country-level Strategic Plan, the responsible SO Teams and Activity Managers must complete or update an Activity Information Sheet annually, as described in [ADS 203.3.9](#).

Because facts that trigger restrictions may change during the fiscal year, and occasionally new restrictions are enacted, Operating Units should ensure that additional legal restrictions have not been triggered before each additional obligation of funds for a given country (for example, indebtedness provisions).

- b. **Assistance Checklists.** Operating Units must complete assistance checklists before obligation. The checklist should be completed once for the life



of the Strategic Objective (including Special Objectives as provided in **201.3.7.9** and Program Support Objectives as provided in **201.3.7.10**) or activity, unless substantial changes are made in the nature of the SO or activity. In the latter case, the most recent checklist should be completed to confirm that legal restrictions do not apply. GC and RLA may require Operating Units to complete assistance checklists more often to ensure compliance with recent legislation. Operating Units should consult with GC or RLA to find out if a new assistance checklist should be completed before each obligation. For information about pre-obligation requirements, see **201.3.12**. Operating Units should consult with GC or RLAs for guidance if they are considering a waiver of any part of an assistance checklist.

### **201.3.3.5 Program Development and Learning (PD&L) Objectives**

Effective Date: 01/31/2003

Bureaus may create one or more Program Development and Learning (PD&L) objectives to finance program development costs and program assessments and learning efforts. The number of PD&L objectives per Bureau should be managed to minimize Congressional notification and other management burdens.

As defined in [ADS 200.6](#), **Program Development and Learning Objectives** are

...used by Bureaus to finance program development, program assessments, and learning efforts that do not fit within the scope of existing Strategic Objectives (SOs). They are intended to fund studies, analyses, pilots, pre-implementation and evaluative work for developing future SOs, for assessing completed SOs, or for disseminating lessons learned.

Operating Units and Bureau Offices that need to undertake analytical or evaluative work may create and fund such activities under their Bureau PD&L objective. In other words, there is no requirement to establish an Operating Unit or Office level PD&L objective in order to receive Bureau PD&L funding. The Operating Unit that manages the activity must make the request. The following principles apply to PD&L Objectives:

- PD&L funds must not finance the design of new activities under existing SOs (funds from the existing SOs should be used for these purposes).
- PD&L funds must not be used for the assessing and learning efforts of existing SOs. Operating Units are expected to budget resources within each SO for ongoing evaluations, activity design, and assessment.
- In most cases, PD&L funds should not be used to finance development assistance activities. In some cases, a Bureau may authorize using PD&L funds for the design or implementation of development programs implemented on a pilot basis. Pre-implementation items necessary to further one or more of the

above purposes (such as limited training or workshops) may be supported with PD&L. However, the amount should be strictly monitored by the responsible Bureau. If PD&L funds will finance development activities, legal checklists and pre-obligation requirements will still apply.

Bureaus should describe PD&L Objectives in the Congressional Budget Justification along with SOs. The notification sets an overall obligation ceiling for each fiscal year for the entire Bureau PD&L Objective. Operating Units must coordinate with their Bureaus to ensure that obligation of funds under the PD&L Objective does not exceed the amounts notified.

Program resources allocated to PD&L Objectives may be used to finance the full range of Acquisition and Assistance (A&A) instruments. This includes purchase orders, contracts, grants, cooperative agreements, task orders to existing contracts established under a PD&L Objective, and task orders to contracts established under SOs that may have instruments designed to provide support to multiple SOs.

Activities funded by PD&L Objectives do not need to be reported in Annual Reports. However, Bureaus should prepare and maintain a list of work financed under their objective in each fiscal year and must maintain documentation necessary to establish an audit trail.

Operating Units should request PD&L funds through the Annual Report process. Bureaus should request PD&L funds in the annual Bureau Program and Budget Submission. PD&L Objectives should be established through an Action Memorandum approved by the Assistant Administrator for the Bureau or his/her designee as provided in a Delegation of Authority. The Action Memorandum should outline how the PD&L Objective will be managed. This includes assigning clear responsibilities for preparing notifications, coordinating with Operating Units on source and amount of funding allocations, performing financial management, and maintaining information on the activities financed under the objective. An end date does not need to be formally established for PD&L objectives. End dates for instruments should be established on a case-by-case basis.

#### **201.3.4 Operating Unit Strategic Plan**

Effective Date: 01/31/2003

As defined in [ADS 200.6](#), **Operating Unit** refers to

USAID field Missions, regional entities, and USAID/Washington Offices that expend program funds to achieve approved Strategic Objectives (including Special Objectives and Program Support Objectives).

Operating Units usually undertake planning at three levels: Strategic Plan (see **201.3.6**), Strategic Objective (see **201.3.7**), and Activity (see **201.3.12**).

Except as noted in **201.3.4.5** (Exemptions), each Operating Unit must have an approved Strategic Plan in place before obligating program funds for its SOs.

#### **201.3.4.1 Purpose of Operating Unit Strategic Plans**

Effective Date: 01/31/2003

Approved Operating Unit Strategic Plans represent an Agency-wide commitment to a set of Strategic Objectives (SO) and Intermediate Results (IR) to be accomplished by an Operating Unit.

**Note:** ADS chapter 201 uses the term “Strategic Objective” to apply generically to Strategic Objectives, Special Objectives, and Program Support Objectives. Unless otherwise specified, all planning, documentation, reporting, and other requirements that apply to Strategic Objectives also apply to Special Objectives (see **201.3.7.9**) and Program Support Objectives (see **201.3.7.10**).

Operating Unit Strategic Plans help to

- Provide a strategic vision;
- Link the Operating Unit’s program to USAID policy and program priorities and U.S. foreign policy in general;
- Provide a rationale for the approval and funding of new Strategic Objectives and/or the continuation of ongoing Strategic Objectives;
- Define the Strategic Plan timeframe, the period during which new funds will be obligated to the Strategic Objectives contained in the plan;
- Provide a rationale for allocation of staff and OE resources; and
- Obtain a Management Agreement that provides the authority to implement activities to achieve approved Strategic Objectives.

#### **201.3.4.2 Role of Partners, Customers, and Stakeholders**

Effective Date: 01/31/2003

Partners, customers, and stakeholders must be consulted and, where feasible, be actively engaged in the development and updating of Strategic Plans, and the monitoring of activities developed pursuant to those plans. USAID should approach development problems as a catalyst, facilitator, and partner, by providing financial resources, technical expertise, and country-level knowledge to assist strategic partners in stimulating new investments and ideas. SO Teams and Operating Units should consider the views of partners, customers, and stakeholders to help ensure that Strategic Objectives address perceived development problems, are achievable, and

produce sustainable benefits after termination of USAID funding. Involvement can take place at both the strategic planning and activity planning stage through the following:

- \*Representation on SO Teams of current and/or potential partners, customers, stakeholder associations, governmental and non-governmental organizations including faith-based and community organizations, and informal groups.
- Eliciting information and feedback from customers and consulting with stakeholders through normally accepted means (such as focus groups, town meetings, formal and informal consultations, systematic formalized customer surveys or research, or rapid appraisal methods that involve customers).

The forms of consultation described above are subject to Agency guidance on Conflict of Interest, which is discussed in further detail in the additional help document, [Legal and Policy Considerations when Involving Partners and Customers on Strategic Objective Teams and Other Consultations](#). This document clarifies how Operating Units may involve outside organizations in discussing concepts, ideas, and strategies, and reviewing ongoing activities, while remaining within the statutory and regulatory requirements. This document also suggests alternative courses of action to protect the interests of the Agency and its partners during the competitive procurement stage. (see [ADS 202.3.9](#), and consult the Contracting Officer and/or GC or the Regional Legal Advisor if specific questions arise.)

#### **201.3.4.3      Types of Strategic Plans**

Effective Date: 01/31/2003

**MANDATORY.** The Agency uses two different types of strategic planning documents, which vary in scope and content depending on the circumstances. The responsible Bureau must specify, in the planning parameters, which type to follow. Figure 201C, Types of Strategic Plans, provides a detailed description of the two types.

**Figure 201C: Types of Strategic Plans**

	<b>Standard Strategic Plan</b>	<b>Interim Strategic Plan</b>
<b>Context</b>	<p>Preferred planning standard for all Operating Units, including Washington-managed programs in the Pillar and Regional Bureaus.</p> <p>Should be used when conditions permit comprehensive analysis and planning.</p> <p>May be used</p> <ul style="list-style-type: none"> <li>For a sustainable development environment, with new or continuing programs.</li> <li>For politically and economically stable countries and regions.</li> </ul>	<p>May be used</p> <ul style="list-style-type: none"> <li>If conditions preclude detailed analysis and longer-term planning, as determined by the responsible Bureau.</li> <li>For a transition environment, with new or continuing programs.</li> <li>For countries experiencing high uncertainty because of drastic political, military, and/or economic events.</li> <li>For a crisis or immediately post-crisis situation.</li> </ul>
<b>Timeframe</b>	<p>Minimum timeframe is five years, and maximum is 10 years.</p> <p>Length of SOs depends on the SO start and end dates, which do not necessarily coincide with the timeframe of the Strategic Plan (see <b>201.3.7.8</b>).</p>	<p>Maximum is three years.</p> <p>Should be subject to a Washington review within two years of approval to determine whether to extend the program through another phase of interim assistance or to develop a Standard Strategic Plan.</p>
<b>Objectives</b>	<p>May include Strategic Objectives, Special Objectives, and Program Support Objectives.</p>	<p>May include Strategic Objectives, Special Objectives, and Program Support Objectives.</p> <p>In some situations, may consist of only Special Objectives.</p>
<b>Level of Analysis</b>	<p>See <b>201.3.8</b></p>	<p>Requirements will vary with the circumstances, and must be specified in the planning parameters (see <b>201.3.5.3</b>).</p>
<b>Assessing and Learning</b>	<p>See <a href="#">ADS 203</a></p>	<p>Requirements will vary with the circumstances, and must be specified in the planning parameters.</p> <p>The difficulties associated with identifying and collecting performance data for an interim Strategic Plan do not mean that the program should not be measured. Country volatility may require intensive monitoring and measurement, especially in terms of program implementation and monitoring for trigger events.</p>
<b>Switching Between Types of Strategic Plans</b>	<p>Not applicable.</p>	<p>Must include description of how or when the interim Strategic Plan would switch to a standard Strategic Plan.</p>

#### 201.3.4.4 Scenario Planning Approaches

Effective Date: 01/31/2003

The responsible Bureau should determine, in the planning parameters, if any of the following planning approaches is required in either a standard or interim Strategic Plan:

- **Country scenarios** to help plan for how the USAID program might respond to large changes in an uncertain country environment. This could include, for example, war versus no war scenarios, alternative programs for different political outcomes, or improving and deteriorating scenarios versus a current set of conditions.
- **Programming scenarios** may include different levels or types of programs in relation to changes in the country scenarios. Changes to the program could include the number and formulation of Objectives, Results Frameworks, the staff mix and levels, operating expense levels, program funding accounts and levels, or the Strategic Plan timeframe.
- **Trigger events.** If the Strategic Plan includes scenarios or options, the Strategic Plan should also include "trigger events": future events that would cause a special review of the program, or a previously agreed upon change in program direction in reaction to evolving country conditions or changing budgets. There should also be an approach for monitoring the events or conditions.
- **Crisis Modifier.** Some Operating Units in crisis-prone countries, or countries facing long-standing emergencies, have developed creative approaches to dealing with particular uncertainties that they face in strategic planning. In such countries, it is possible to include a "crisis modifier" clause in the Strategic Plan to help streamline the planning and achieving processes. The clause would allow for a redirection of resources when conditions warrant it. For guidance on incorporating a crisis modifier into a Strategic Plan, contact the Bureau for Democracy, Conflict, and Humanitarian Assistance, Office of Program and Policy and Management (DCHA/PPM) and the relevant Regional Bureau. Also see the mandatory reference, [Post-Crisis Planning and Implementation—USAID Policies and Regulations](#).
- **Budget Levels.** May include high-, medium-, and low-range budget options.

If any of the above approaches are used, the Strategic Plan should describe how the Operating Unit will determine movement between scenarios as well as any resulting programmatic implications.

#### 201.3.4.5 Exemptions to Strategic Plans

Effective Date: 01/31/2003

**Special Objectives without Strategic Plans.** In very limited special cases, Bureaus may establish "stand-alone" Special Objectives to finance and report on activities

initiated as a result of a legislative earmark, directive, or a special foreign policy interest where USAID involvement in planning and decision-making related to selection and design of activities is expected to be limited. Pre-obligation requirements must be met, as described in **201.3.12**, and cannot be exempted unless additional waivers or notwithstanding authorities apply. Approval of such Special Objectives may take place through an action memo as part of meeting pre-obligation requirements for activities to be financed. In these cases, PPC and GC clearance of the action memo will be adequate to meet Agency review requirements. The action memo should summarize the rationale for establishing the Special Objective, describe the activities that will be financed and their cost, provide clarity on management and reporting responsibilities, and describe any staff or OE costs associated with the Special Objective. For more information about Special Objectives, see **201.3.7.9**.

**Activities Before Fully Planned Strategic or Special Objectives.** In special foreign policy situations where it is necessary to initiate activities before completion and approval of a Strategic Plan, planning parameters may be issued that temporarily exempt an Operating Unit from strategic planning requirements. This exemption may be exercised at the discretion of Bureau Assistant Administrators for a period not to exceed one year. PPC and GC must clear such an exemption. After this one-year period, all ongoing activities must be linked to and support an approved, fully planned Strategic or Special Objective; requests for additional exemptions must be written as an action memorandum and PPC and GC must clear them before approval. This exemption is limited to Strategic Plans only. Activity planning requirements necessary to meet pre-obligation requirements (as described in **201.3.12**) cannot be exempted unless additional waivers or notwithstanding authority apply.

**Note:** For accounting purposes, a placeholder number and title for the Strategic or Special Objective must be used to obligate funds. Use of such an SO number does not indicate that the Strategic or Special Objective is fully planned. For more information about planning Strategic Objectives, see **201.3.7**, and for Special Objectives, see **201.3.7.9**.

**Emergency Assistance.** Certain programs are exempted from the mandatory procedures described in this chapter, including (1) emergency disaster assistance; and (2) emergency food aid authorized under Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended (Pub.L. 480). See the Office of the General Counsel (GC) or your Regional Legal Advisor (RLA) to determine applicability of this exception.

**Additional Exemptions.** Approval must be obtained in writing from the Assistant Administrator of the responsible Bureau for any additional exemptions beyond those specifically mentioned above. Requests for additional exemptions must be written as an action memorandum and cleared by the Bureau for Policy and Program Coordination (PPC) and the Office of General Counsel (GC) before approval.

**\*Linkage to Agency Goals.** When activities are exempted from the strategic planning process, they must nevertheless be implemented under a temporary SO, such as a special objective, and attributed to an Agency goal, objective, and Pillar, as defined in the most current Agency strategic plan ([DOS and USAID Strategic Plan, FY 2004-2009](#)) and as stipulated in **201.3.7.1**, in consultation with the bureau's development program (DP) office and PPC's Office of Strategic and Performance Planning (PPC/SPP).

#### **201.3.4.6 HIV/AIDS Strategies and Strategic Planning**

Effective Date: 01/31/2003

**MANDATORY.** To help implement the Agency's operational plan for "Stepping Up the War Against HIV/AIDS," certain special requirements apply to the submission, review, and approval of HIV/AIDS strategies. All Missions planning or implementing HIV/AIDS activities at a level of \$1 million per year or more must submit for technical approval a document describing their HIV/AIDS strategy. Other requirements include

- All Missions with such HIV/AIDS programs must review and update their Strategic Plans through joint programming with the Regional Bureau, the Bureau for Global Health (GH), and the Bureau for Policy and Program Coordination (PPC) to ensure that the plans meet technical standards and have clearly identified and measurable impacts.
- GH must approve the HIV/AIDS technical content of Mission HIV/AIDS strategies and plans, consistent with the Regional Bureau's overall approval of the country-level Strategic Plan.
- In consultation with the Regional Bureaus, GH and PPC must approve all country HIV/AIDS budgets.
- GH must monitor the status of the pandemic and evaluate, at least once every two years, the progress and impact of USAID HIV/AIDS programs at both the country and regional levels.
- Beginning in FY 2005, GH will lead, in consultation with the appropriate Regional Bureau and PPC, a biennial process to review country priority status (such as intensive focus or rapid scale-up), confirm that HIV/AIDS approaches remain valid, and ensure that programs are on track to achieve expected results.
- Missions should implement improved monitoring and evaluation, and report data to GH, as outlined in the additional help document, [Monitoring & Reporting on HIV/AIDS Programs \[02 State 046436\]](#).

Missions should contact the Bureau for Global Health, Office of HIV/AIDS (GH/OHA), and their Regional Bureaus for assistance. OHA, with Regional Bureaus, can help conceptualize HIV/AIDS strategies, can provide technical assistance, and can identify



technical resources to aid in developing a Strategic Plan. OHA is also responsible for reviewing and commenting on the HIV/AIDS component of concept papers and draft Strategic Plans at any stage.

GH/OHA manages and chairs the technical review of all HIV/AIDS strategies. This review should involve technical representatives from the responsible Regional Bureau and PPC. For new country-level Strategic Plans, two parallel and related approvals are required. GH is responsible for approving the technical content of the HIV/AIDS strategic component, while the Regional Bureau, in consultation with PPC and the relevant Pillar Bureau(s), remains responsible for approving the overall country-level Strategic Plan.

For a complete discussion of all submission, review, and approval requirements that pertain to HIV/AIDS strategies, see the mandatory reference, [A Collaborative Approach to Reviewing HIV/AIDS Strategies](#).

### **201.3.5 Setting Planning Parameters**

Effective Date: 01/31/2003

As defined in [ADS 200.6](#), **planning parameters** are

The limits, constraints, and options within which decision-making and planning takes place, especially for the development of Strategic Plans.

Bureaus must develop planning parameters for Operating Units under their purview, and Operating Units are responsible for ensuring that Strategic Plans are responsive to the planning parameters.

#### **201.3.5.1 Process**

Effective Date: 01/31/2003

**Note.** ADS chapter 201 uses the term “Strategic Objective” to apply generically to Strategic Objectives, Special Objectives, and Program Support Objectives. Unless otherwise specified, all planning, documentation, reporting, and other requirements that apply to Strategic Objectives also apply to Special Objectives (see **201.3.7.9**) and Program Support Objectives (see **201.3.7.10**).

**MANDATORY.** The following mandatory procedures apply:

- The responsible Bureau must provide the Operating Unit with planning parameters before the development of a Strategic Plan. The parameters should be communicated in writing (such as a parameters cable) from the responsible Bureau to the Operating Unit.
- Normally the planning parameters should be issued nine months before the Strategic Plan submission due date. In some situations, for example, when

Interim Strategic Plans are being developed for countries in crisis, less time may be available.

The responsible Regional or Pillar Bureau has the primary responsibility for guiding, reviewing, and approving country, multi-country, and sector planning parameters for Strategic Plans and Strategic Objectives (including Special Objectives and Program Support Objectives) for Operating Units within their purview with the clearance of other Bureaus. They must use the procedures described here. The Assistant Administrator or designee must provide the formal approval per the delegation of authority from the Administrator.

The responsible Regional or Pillar Bureau should organize a review process that elicits Agency-wide participation and collaboration. Reviews should provide a forum for the Agency to agree on planning parameters for Strategic Plans and Strategic Objectives (including Special Objectives and Program Support Objectives) and to make final decisions on future program direction. This clearance process reflects a fundamental management principle in USAID: that approved planning parameters for Operating Unit Strategic Plans and Strategic Objectives (including SpOs and PSOs) reflect the Agency's unified vision and strategic priorities for any given country, sector or program.

As such, PPC, M, GC, and Pillar Bureaus must review and clear planning parameters for Strategic Plans and Strategic Objectives (including SpOs and PSOs) for bilateral, regional, and sub-regional programs. PPC, M, GC, and Regional Bureaus must review and clear planning parameters for Pillar Bureau Strategic Plans and Strategic Objectives (including SpOs and PSOs). The review process for Pillar Bureau and Regional or sub-regional planning parameters for their Strategic Plans and Strategic Objectives (including SpOs and PSOs) must include a mechanism to allow for input by affected field Operating Units. If the responsible Bureau determines that there are security considerations, then the Office of Security must review and clear the planning parameters.

The roles of each Bureau in the planning parameters review process are the same as for Strategic Plan review. See **201.3.10.2** and Figure 201E, Roles in the Review Process.

During the clearance and approval process, disagreements may arise between Bureaus. As the lead, the responsible Bureau will work for Agency consensus on the proposed planning parameters for the Strategic Plan and/or Strategic Objectives (including SpOs and PSOs). If there is no consensus, then PPC will work closely with all parties to obtain a satisfactory resolution. If this is not possible, then PPC will refer the issue to the Office of the USAID Administrator for final arbitration before approval of the planning parameters for a Strategic Plan and/or Strategic Objective (including SpO and PSO) by the responsible Bureau Assistant Administrator (AA).

**201.3.5.2 Concept Paper**

Effective Date: 01/31/2003

Operating Units should actively engage in the process of setting planning parameters. At a minimum, Operating Units should be involved in the review and clearance of the planning parameters. In some cases, before developing the planning parameters, Bureaus may encourage Operating Units to develop a concept paper. This concept paper could propose the Agency goal areas or sectors in which Strategic Objectives might be developed. The concept paper should foster development of planning parameters. While Bureaus and Operating Units may conduct specific preliminary technical analyses in conjunction with the process of setting planning parameters, concept papers should not be viewed as draft Strategic Plans. There is no standard format for a concept paper.

**201.3.5.3 Content of Planning Parameters**

Effective Date: 01/31/2003

**MANDATORY.** The planning parameters must include the following information:

- The Strategic Plan timeframe. (see **201.3.6.2**)
- Key USAID and U.S. foreign policy considerations or guidance.
- Agency goal areas for which Strategic Objectives may be proposed (such as democracy, economic growth, or human capacity development). At this time, the decision on the number of Strategic Objectives, however, should be left to the Operating Unit developing the Strategic Plan.
- Approximate staffing levels and expertise that the Bureau intends to make available to the Operating Unit to implement the Strategic Plan. This includes source and level of any external non-resident staff who will be made available (such as Contracting Officer, Regional Legal Advisor, Financial Management staff, Executive Officer, Program Officer, or technical specialists).
- Approximate annual operating expense levels that the responsible Bureau anticipates for the Operating Unit.
- Program funding accounts and indicative levels over the expected Strategic Plan timeframe. Guidance may include low, medium, and high funding levels.
- Guidance on any earmarks or directives that may influence choice of Strategic Objectives and activities.
- A determination of whether a standard Strategic Plan or an interim Strategic Plan should be produced. (see **201.3.4.3**)

- Identification of any specific technical analysis or assessments (see **201.3.9**) that reviewers and the Operating Unit agree must be conducted to support or justify the future choice of Strategic Objectives (beyond those mandatory analyses identified in **201.3.8**) and the resources or staff that will be available to complete the additional analyses.
- Specific instructions on how to conduct the required conflict vulnerability analysis, or an explicit waiver of this requirement approved by the Assistant Administrator (AA) of the responsible Bureau. (see **201.3.8.3**)
- Results of any GC review of potential legal prohibitions or legislative issues that must be considered in developing the Strategic Plan.

#### **201.3.5.4 Additional Topics to Consider**

Effective Date: 01/31/2003

Planning parameters set by the Bureau may also consider these additional non-mandatory items:

- Any special foreign policy interests or issues in the country to which the Strategic Plan must respond.
- Whether the Operating Unit should anticipate and plan for a phasing down or close out of USAID assistance (“graduation”) at the end of the Strategic Plan timeframe.
- Special constraints on the use of implementation mechanisms that may affect the development or implementation of the Strategic Plan (for example, if there are limits on use of obligating agreements with the host government due to sanctions).
- Additional guidance that would help Operating Units manage and minimize the workload associated with developing a Strategic Plan (such as page length limits, use of regional strategies to support activities, or additional staff support).
- In cases where the Agency has a reasonable basis for anticipating a major change in staff and/or resource levels or country conditions during the Strategic Plan timeframe, additional guidance on planning for different scenarios may be necessary. Examples of such situations include cases where the U.S. State Department, National Security Council, and/or U.S. Congress may decide to modify planned resource levels significantly or where there are political, economic, or natural disaster risks that could significantly affect programming priorities. For information on scenario planning approaches, see **201.3.4.4**.

**201.3.6 Content of Strategic Plans: Plan Level**

Effective Date: 01/31/2003

**MANDATORY.** Strategic Plans must discuss the following content areas:

- Rationale for assistance and the overall environment for assistance (see **201.3.6.1**)
- Rationale for Strategic Plan timeframe and choice of Strategic Objectives (see **201.3.6.2**)
- Summary of resources needed for all Strategic Objectives (see **201.3.6.3**)
- Program management (see **201.3.6.4**)
- Appendices (see **201.3.6.5**)
- The Strategic Plan must also contain sufficient information about each proposed Strategic Objective (including SpO or PSO) to allow for formal approval. For information on how to adequately plan and document a proposed Strategic Objective, please see **201.3.7**. For additional information about Special Objectives, see **201.3.7.9**; for Program Support Objectives, see **201.3.7.10**.

These content areas are mandatory and must be discussed in any Strategic Plan in any order, but there is no one prescribed structure for the document and the level of detail in which these areas are discussed may vary depending on the circumstances. The following sections describe the kinds of questions that should usually be addressed in each content area. The level of detail and specific requirements for an Operating Unit must be determined by the responsible Bureau and specified in the planning parameters. Ultimately, the Washington reviewers of a proposed Strategic Plan are responsible for determining whether the guidance provided in this section and in the planning parameters has been adequately met. For an optional checklist, see the additional help document, [Strategic Plan Checklist](#).

**Note:** ADS chapter 201 uses the term “Strategic Objective” to apply generically to Strategic Objectives, Special Objectives, and Program Support Objectives. Unless otherwise specified, all planning, documentation, reporting, and other requirements that apply to Strategic Objectives also apply to Special Objectives (see **201.3.7.9**) and Program Support Objectives (see **201.3.7.10**).

### **201.3.6.1 Summary of Rationale for Assistance and the Overall Environment for Assistance**

Effective Date: 01/31/2003

This section should provide the rationale for U.S. assistance and summarize analytical findings about the conditions and opportunities for assistance (such as need, performance, commitment, and U.S. foreign policy priority). This mandatory section could

- Summarize the analysis that underpins the proposed Strategic Plan, including how the country, target countries, or worldwide efforts are performing related to applicable Agency goals and objectives.
- Assess the social, economic, and political environment, including the causes of any major social and/or political conflict, and the ways in which USAID and/or other organizations can influence these factors.
- Review analytical findings about any cross-cutting issues or themes, such as gender, institutional development, corruption, food security, civil society, or information and communication technology.
- Identify the potential risks to socio-economic and political stability and the implications of such risks on USAID program objectives in the target country(ies).
- Present U.S. foreign policy interests along with the linkage between the proposed Strategic Plan and relevant Mission Performance Plans (for country and regional Strategic Plans).
- Address the implications of the focus, methods, and approximate levels of assistance expected from other major donors in areas relevant to the proposed program.
- Summarize prior experience in working with the country(ies), the quality of the development partnership in terms of host country policies and capacity, and the likely impact from the proposed Strategic Plan.
- Discuss the impact of previous USAID assistance.
- Discuss the host country's own overarching strategy for economic growth and poverty reduction.

**201.3.6.2 Rationale for Strategic Plan Timeframe and Strategic Objectives**

Effective Date: 01/31/2003

This section should provide a strong rationale for how and why Strategic Objectives were selected and developed for the Strategic Plan. This mandatory section could

- Summarize principal parameters for the Strategic Plan (including guidance on significant policy issues and agreements reached on staffing and resource levels).
- Describe the overall strategic vision or high-level goals for the proposed program.
- Include a Strategic Plan timeframe based on need, expected progress, the relative stability or instability of the political and economic context, and upcoming milestones (such as national elections or any anticipated close out or “graduation” from USAID assistance).
- Summarize how the proposed Strategic Objectives link to past and future programs. Where does the proposed program fit into the overall developmental progress in a given area or sector?
- Summarize the proposed Strategic Objectives, their link to Agency goals, and a compelling rationale for their selection.
- Identify ongoing Strategic Objectives and activities that will be continued into the new Strategic Plan, and explain how they will be incorporated into the new Strategic Plan.
- Explain the implications for the strategic approach if a close out date of USAID assistance (“graduation”) has been agreed to, and identify potential major partners and their interest in supporting the plan.
- Identify ultimate customers and explain how the Operating Unit obtained their input to the Strategic Plan.
- Summarize how other U.S. Government agencies were involved in the development of the Strategic Plan, and discuss how their programs complement or support the proposed Strategic Objectives.
- Relate the proposed USAID program to the country development program and to other donor and partner contributions.
- Should discuss the linkage, if any, between the proposed USAID program and the host country’s own overarching strategy for economic growth and poverty reduction.

### **201.3.6.3 Summary of Resources Needed for Each Objective**

Effective Date: 01/31/2003

The total estimated resource requirements (including program, staffing, and operating expenses) for each proposed Strategic Objective must be summarized in the Strategic Plan, disaggregated by Strategic Objective, proposed funding source, and fiscal year. Additional analysis and discussion should be included in the description of each Strategic Objective.

### **201.3.6.4 Program Management**

Effective Date: 01/31/2003

This section should describe how the proposed program will be managed by USAID. This mandatory section could

- Describe which Operating Units (including any regional Operating Units), and USAID/Washington Offices will be directly involved in managing activities in support of the Strategic Plan. If the Strategic Plan will be implemented by more than one Operating Unit, include a description of how the Operating Units will coordinate their work.
- For multi-country Strategic Plans, discuss any requirements for full-time USAID employee presence in target countries. Indicate the type of staffing category needed (USDH, FSN, TCN, and/or USPSC), their reporting relationship to the Operating Unit with overall responsibility for implementing the Strategic Plan, and any coordination role they may have with in-country U.S. State Department staff or other U.S. Government (USG) staff.
- Describe where support for key management functions will come from if qualified staff are not part of the Operating Unit – specifically for Regional Contracting Officer (RCO), Regional Legal Advisor (RLA), Controller, Financial Management staff, Executive Officer (EXO), and Program Office or technical support.
- Discuss any special support requirements that USAID/Washington Bureaus should anticipate and plan for in order to support the program. This is particularly important for small Operating Units in the field that may require substantial technical and programmatic support from their Regional or Pillar Bureaus.
- Include any special program management concerns or issues that must be addressed as part of the Strategic Plan review.

### **201.3.6.5 Appendices**

Effective Date: 01/31/2003

Include the following as Appendices to a Strategic Plan:



- USAID/W official planning parameters given to the Operating Unit by the responsible Bureau to develop the Strategic Plan.
- All technical analyses (or summary of their findings and conclusions) that were specified in **201.3.8**, or were otherwise required by the planning parameters.
- A bibliography or summary of any other analyses that significantly influenced the development of the Strategic Plan. The summary should cover analyses conducted by the Operating Unit for purposes of developing the Strategic Plan, as well as technical analyses previously conducted by USAID or other organizations that were referred to during the preparation of the Strategic Plan. This summary should be limited to a brief overview of the analysis, methodology used, and conclusions drawn. The summary should permit the reader to form an independent judgment regarding the adequacy of the analysis, as well as the validity and relevance of its conclusions.

### **201.3.7 Content of Strategic Plans: Strategic Objective Level**

Effective Date: 01/31/2003

As defined in [ADS 200.6](#), a **Strategic Objective** is

The most ambitious result that a USAID Operating Unit, along with its partners, can materially affect, and for which it is willing to be held accountable. SOs can be designed for an Operating Unit to provide analytic, technical, logistical, or other types of support to the SOs of other Operating Units (whether bilateral, multi-country, or global in nature).

Strategic Objectives are the cornerstone of the USAID programming system and constitute the basic unit for requesting program funds, notifying Congress, organizing SO Teams, achieving results, reporting progress, and learning from development experience. Strategic Objectives can be designed for a Pillar Bureau, Regional Bureau, or Operating Unit in the field to provide analytic, technical, logistical, or other types of support to the SOs of other Operating Units (whether bilateral, multi-country, or global in nature) and/or to other SOs within the same Operating Unit.

**Note:** ADS chapter 201 uses the term “Strategic Objective” to apply generically to Strategic Objectives, Special Objectives, and Program Support Objectives. Unless otherwise specified, all planning, documentation, reporting, and other requirements that apply to Strategic Objectives also apply to Special Objectives (see **201.3.7.9**) and Program Support Objectives (see **201.3.7.10**).

**How many Strategic Objectives?** An Operating Unit must focus resources on achieving a limited number of Strategic Objectives. However, there is no standard limit on the total number of Strategic Objectives that an Operating Unit may identify for its portfolio. The number of Strategic Objectives should not exceed the management capacity of the Operating Unit. A somewhat greater number of better defined Strategic

Objectives is generally preferred over a lesser number of vaguely stated objectives that cover the same range of activities (but complicate performance reporting and Congressional notification).

To maintain clarity and transparency in reporting, Strategic Objectives should not duplicate or overlap. Each Strategic Objective under a given Agency goal should remain distinct and distinguishable in terms of the specific results it defines, the geographic area it affects, or the activities it implements. However, common elements and linkages among Strategic Objectives are encouraged, such as when cross-cutting themes are addressed or cross-sector linkages are forged.

**\*Considerations for cross-cutting themes.** Cross-cutting themes such as gender, conflict, corruption, institutional development, utilization of faith-based and community organizations, or information technology normally run throughout the Strategic Plan. Such themes should be reflected in the development and description of each SO, and the influence of the theme should be apparent in the structure of the SO. In most cases, Operating Units should not create a separate SO or SpO to address cross-cutting themes.

**Collaborative achievement.** The tension between collaborating with others and clearly explaining what USAID will achieve is a fundamental aspect of development planning and performance reporting, and it should be one of the key variables considered when defining and approving an SO. Most SOs are not achieved solely through USAID-funded activities; catalyzing and building on the work of others is an essential element of sound development. An SO and its supporting Intermediate Results (IRs) can include significant investments from other donors, host countries, and other organizations.

**\*Public-private alliances.** Given USAID's increased emphasis on public-private alliances, Operating Units should actively consider the feasibility and desirability of planning selected SOs or IRs in an alliance mode. In cases where this is appropriate, the key decisions concern how early and in what ways to involve potential alliance partners in the analysis of the problem and the formulation of strategies to address it. Although this involvement of potential alliance partners at the SO and IR formulation stage may raise potential conflict of interest issues, the Agency is committed to working with Operating Units to resolve or mitigate these conflicts wherever practical. Questions or requests for assistance should be directed to the Global Development Alliance (GDA) Secretariat, and designated GDA points of contact in GC and/or the Bureau for Management, Office of Procurement (M/OP). (see [A Practical Framework](#))

**MANDATORY.** At the time of formal approval, a Strategic Objective must contain

- Statement of Strategic Objective (see **201.3.7.1**)
- Development Hypothesis (see **201.3.7.2**)

- Results Framework (see **201.3.7.3**)
- Intermediate Results (see **201.3.7.4**)
- Illustrative Activities (see **201.3.7.5**)
- Preliminary Performance Management Plan (PMP) (see **201.3.7.6**)
- Estimate of Required Resources (see **201.3.7.7**)
- Strategic Objective Start and End Dates (see **201.3.7.8**)

#### **201.3.7.1 Statement of Strategic Objective**

Effective Date: 01/31/2003

**MANDATORY.** At the time of approval, a Strategic Objective must

- Represent a developmentally significant result that is expected to affect ultimate customers.
- Form the results standard by which the Operating Unit is willing to be judged in terms of its effectiveness in managing for results.
- Be achievable in a foreseeable and limited time period, using the resources provided directly to the Operating Unit and other resources that may be mobilized by development partners. In other words, the Strategic Objective level results should be within the manageable interest of the Operating Unit.
- \*Link to one principal Agency goal, one principal Agency objective, and one Agency Pillar as defined in the most current Agency Strategic Plan. A Strategic Objective may be linked to other Agency goals, objectives, and Pillars on a secondary basis, if appropriate. SOs, such as cross-cutting or PD&L, which by definition cannot be linked to one Agency goal, may be linked to multiple goals in consultation with the bureau's development program office and PPC/SPP.
- Present a defined geographic focus and direct the selection and design of the assistance activities to be implemented during the proposed Strategic Plan timeframe.
- Be expressed in terms of a result or impact that permits objective measurement and is clear, precise, and gender disaggregated as appropriate.
- \*Incorporate the findings of mandatory technical analyses (gender, environment and conflict mitigation, as appropriate) and incorporate actions that will overcome any identified, significant obstacles to achieving desired results under the SO.

**Distinct results.** In most cases, Strategic Objectives should be uni-dimensional, each representing a distinct result that is expected from USAID intervention in addressing a development problem. If multiple foci will be combined into one Strategic Objective, compelling rationale should be provided for how the approach will help achieve the result. For example, the Strategic Objective might be

- Implemented in an integrated manner, so that related results are achieved by the same activity that takes place in the same location.
- Achievable by a common set of Intermediate Results and causal linkages represented in the Results Framework.
- Inseparable and mutually reinforcing for component results. (Achievement of each facilitates the achievement of the other.) An example might be "Increased Use of Family Planning and Maternal and Child Health (MCH) Services," which combines family planning and MCH.

The degree of precision of the end result of a Strategic Objective will vary according to several factors, including

- Stability of country environment;
- Knowledge available to planners;
- Certainty of multi-year budget levels; and
- Extent to which USAID or local implementing partner(s) control outcomes, due to the many actors that affect a desired result.

#### **201.3.7.2 Development Hypothesis**

Effective Date: 01/31/2003

As defined in [ADS 200.6](#), a **development hypothesis** is

A narrative description of the specific causal linkages between Intermediate Results (IRs) and a Strategic Objective (SO) that are expected to lead to the achievement of the SO. The hypothesis is based on sound development theory, knowledge, and experience within the context of a specific SO. Generally, the term refers to plausible linkages, and not statistically accurate relationships.

**MANDATORY.** In presenting a planned new Strategic Objective, the Operating Unit must describe the development hypothesis: the real and inferred logic of the causal relationship among the various results, which leads one to believe that the Strategic Objective can be achieved. It must be clear how the proposed interventions, when implemented successfully, will lead to effectively addressing the development problem.

The development hypothesis is essentially a working model, and may need to be adjusted as programs evolve. The development hypothesis must be communicated in a Results Framework.

### **201.3.7.3 Results Framework**

Effective Date: 01/31/2003

As defined in [ADS 200.6](#), a **Results Framework** is

A planning, communications, and management tool, which conveys the development hypothesis implicit in the strategy and the cause-and-effect linkages between the Intermediate Results (IR) and the Strategic Objective (SO). A Results Framework includes the SO and the IRs necessary to achieve the SO, whether funded by USAID or its partners. It includes any critical assumptions that must hold for the development hypothesis to lead to achieving the relevant objective. Typically, it is laid out in graphic form supplemented by narrative.

**MANDATORY.** In presenting a planned new Strategic Objective, the Operating Unit must use a Results Framework to represent the development hypothesis. Although Results Frameworks are typically laid out in graphic form and supplemented by narrative, there is no mandatory format. For approval, a Strategic Objective must contain a Results Framework that

- Succinctly captures the key elements of a strategy for achieving a Strategic Objective (both program intent and content).
- Clearly states results (both at the Strategic Objective and Intermediate Result levels).
- Provides sufficient detail and causal linkages to diagram the development hypothesis. This level of detail will help reviewers understand the Strategic Plan without limiting Operating Unit authority to make subsequent adjustments.
- Uses results statements that are measurable and feasible during the planned life of the Strategic Objective with anticipated USAID and partner resource levels.
- Proposes a preliminary Performance Management Plan for the Strategic Objective, as described in **201.3.7.6**.
- Incorporates **critical assumptions**. A critical assumption is defined as a general condition under which the development hypothesis or strategy for achieving the Strategic Objective will hold true. Critical assumptions are outside the control or influence of USAID and its partners (in other words, they are not results), but they reflect conditions that are likely to affect the achievement of results in the

Results Framework. Critical assumptions may also be expressed as risks or vulnerabilities.

- Identifies any results to be achieved through other SOs that would significantly support achievement of IRs in the Results Framework.

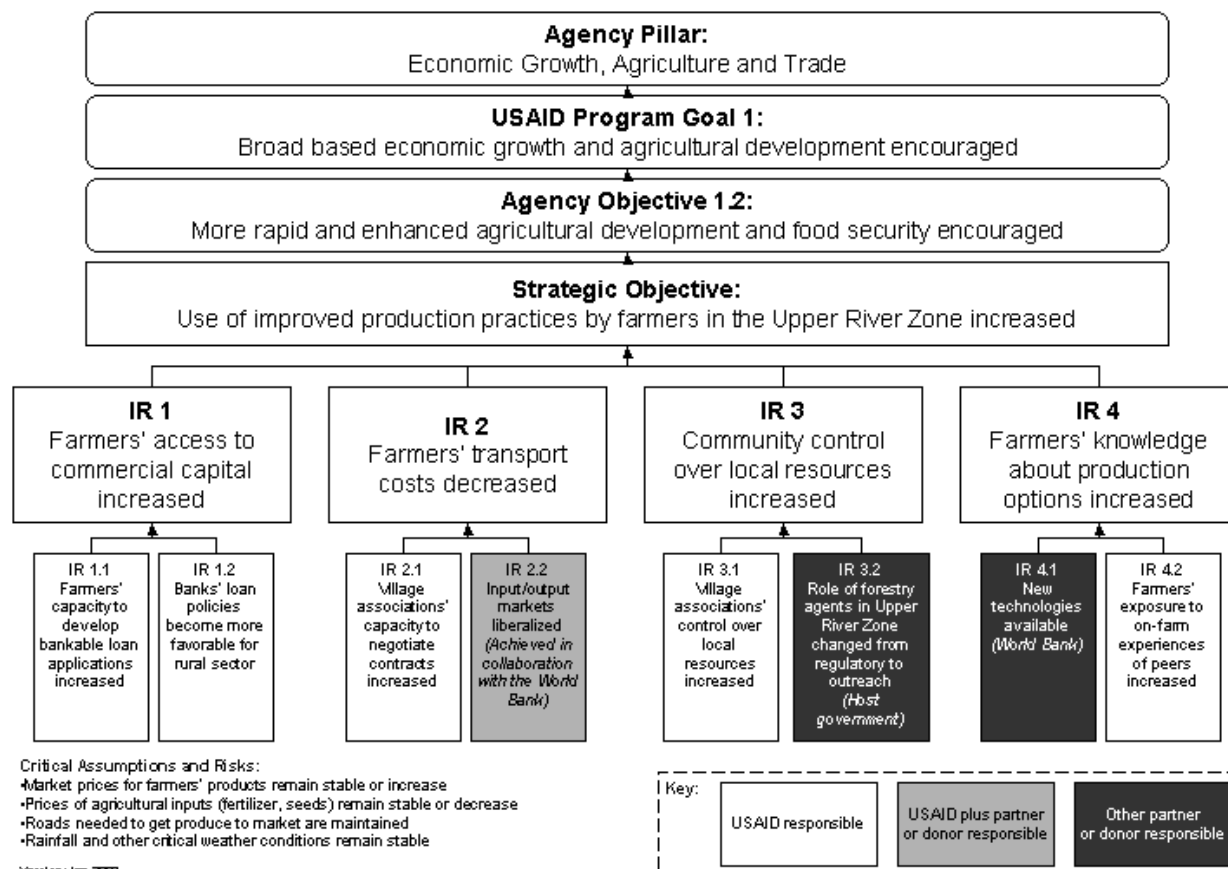
**Best practices.** Additional Agency experience demonstrates that effective Results Frameworks should

- Include all results that are necessary and sufficient to achieve the Strategic Objective, even if some results are out of the direct control of USAID.
- Contain one SO layer and one or two Intermediate Results (IRs) layers upon approval of the Strategic Objective.
- Be developed in more detail during activity planning and implementation, as described in **201.3.12**.

**Uses of Results Frameworks.** A Results Framework can be used in different ways during the life of a Strategic Objective, including the following:

- Tool for planning and management. The Results Framework is central to the Strategic Objective and provides a program-level framework for managers to gauge progress toward the achievement of results and to make appropriate adjustments to relevant activities. In addition, a Results Framework may be used to justify the overall volume of activity based on the scale of resources available, geographic or other focus, and proposed assistance modes and expected results.
- Tool for communication with development partners and customers to build consensus and ownership around shared objectives and the approaches to meeting those objectives.
- Tool for communication with USAID/Washington. A Results Framework may facilitate reaching agreement both within the Operating Unit and between the Operating Unit and relevant USAID/Washington Bureaus on expected results and required resources.
- Tool for designing, organizing, and communicating sets of activities.
- Tool for organizing and communicating sets of performance indicators and other performance information for each result statement.
- Filter to avoid funding proposed non-critical activities to achieve the SO.

**Example of a Results Framework.** Figure 201D, Illustrative Results Framework, provides a sample Results Framework in which each result statement is represented in a box, and the arrows linking boxes represent causal relationships. This sample framework has more “boxes” (results) than are typically seen in a Strategic Plan in order to illustrate several possibilities. The level of detail may be useful to the Operating Unit in planning specific activities. An Agency Pillar and an Agency objective are included in this diagram to show the linkage between the Strategic Objective and that Agency objective and Pillar. Shaded boxes indicate Intermediate Results that are either co-funded with other partners or exclusively funded by them. Shaded boxes could also be used to identify results pursued through other USAID-funded SOs. Causal links may connect IRs either vertically or horizontally. Finally, critical assumptions and risks are listed at the bottom.<sup>1</sup>

**Figure 201D, Illustrative Results Framework****Figure 201D: Illustrative Results Framework** (See ADS 201.3.7.3 and 201.3.12.5)

For more information on Results Frameworks, see the additional help document, [TIPS 13, Building a Results Framework](#).

### 201.3.7.4 Intermediate Results (IRs)

Effective Date: 01/31/2003

As defined in [ADS 200.6](#), an **Intermediate Result (IR)** is

An important result that is seen as an essential step to achieving a Strategic Objective (SO). IRs are measurable results that may capture a number of discrete and more specific results. IRs may also help to achieve other IRs.

**MANDATORY.** In presenting a planned new Strategic Objective, the Operating Unit must list the set of Intermediate Results that is necessary and (given certain assumptions) sufficient to achieve each new Strategic Objective. The IRs and SO should be linked by a cause-and-effect relationship. The timeframe for all IRs need not be the full length of timeframe for the relevant SO.



**Note on Differentiating Outputs from Results.** In considering potential IRs for inclusion in a Results Framework, it is important to understand the difference between outputs and results. The creation of outputs is generally under the direct control of an implementing entity (grantee or contract institution) using resources provided. For example, deliverables under a contract are outputs. In differentiating outputs from results, it can be useful to think of results as developmentally significant events that may influence customers, while outputs are lower-level steps that are essential in achieving results. Outputs may affect ultimate customers but in a much more limited way than IRs. There should always be a direct link between outputs and IRs. However, it may take many outputs from several activities over a period of time to create measurable impact at an IR or SO level.

#### **201.3.7.5 Illustrative Activities**

Effective Date: 01/31/2003

**MANDATORY.** In presenting a planned new Strategic Objective, the Operating Unit must identify illustrative activities that are likely to be used in achieving the results outlined in the Results Framework. Illustrative activities demonstrate the feasibility of achieving selected SOs and serve as the basis for estimating resource needs and establishing performance targets (or magnitude of impact) for each SO. Unless specifically instructed otherwise in the Management Agreement (see **201.3.10.3**), an Operating Unit has the authority to adjust activities, without further Bureau-level review, to achieve the SO.

#### **201.3.7.6 Preliminary Performance Management Plan (PMP)**

Effective Date: 01/31/2003

Performance management requires access to useful and timely information on a broad range of factors throughout the life of a Strategic Objective. Without planning how and when this information will be obtained, it will be difficult or impossible, once activities start, to put systems in place to ensure adequate information flow to enable ongoing decision-making and meet annual performance reporting requirements. In developing a new Strategic Objective, the Operating Unit should take adequate steps to plan and institutionalize a process for collecting performance information as part of everyday work.

**MANDATORY.** In presenting a planned new Strategic Objective, the Operating Unit must include a preliminary Performance Management Plan (PMP) that proposes performance indicators for the SO-level result (with baseline data and ultimate targets). If possible, performance indicators for the Intermediate Results (with baseline data and ultimate targets) should also be included.

Having a preliminary PMP in place before implementing a Strategic Objective helps ensure that assessing and learning elements are adequately integrated into activities and contracting mechanisms. The Operating Unit should explain how the full PMP for

the SO will be completed. As detailed in [ADS 203.3.3](#), a complete PMP is required within one year of approval of the SO.

### **201.3.7.7 Estimate of Required Resources for Strategic Objective**

Effective Date: 01/31/2003

Approved Strategic Objectives provide the foundation or departure point for strategic budgeting. Therefore, accurate cost estimates are critical.

**Note.** ADS chapter 201 uses the term “Strategic Objective” to apply generically to Strategic Objectives, Special Objectives, and Program Support Objectives. Unless otherwise specified, all planning, documentation, reporting, and other requirements that apply to Strategic Objectives also apply to Special Objectives (see **201.3.7.9**) and Program Support Objectives (see **201.3.7.10**).

In presenting a planned new Strategic Objective, the Operating Unit

- Must present a detailed estimate of all resources needed for the plan by fiscal year, including program, food aid, operating expense funds, and staff resources, linked to the proposed SO start and end dates (as described in **201.3.7.8**). This will establish the basis for the Authorized Life of SO Funding Level and the Strategic Objective funding period during which Washington expects to make available new funds for obligation for that Strategic Objective.
- Must allow adequate time for design, procurement, mobilization, implementation, and SO close out or transition to a new follow-on phase of assistance.
- Must take into account inflation, foreign exchange risk, and contributions of the host country and other partners.
- May include multiple funding levels to respond to changing or uncertain availability of resources. These levels and scenarios may have been mentioned in the planning parameters (see **201.3.5.3**).

#### **a. Costs to USAID**

**MANDATORY.** In presenting a planned new Strategic Objective, the Operating Unit must include an estimate of the total resource requirements of the SO, disaggregated by proposed funding source and fiscal year. All USAID resources must be included in this cost estimate, including program resources of all types, food aid, staff, and operating expenses. The estimate must make clear the total cost of achieving each planned Strategic Objective. The resource requirements for all Strategic Objectives developed and proposed at the time of approving the Strategic Plan must be summarized in the Strategic Plan.

Estimates should take into account likely U.S. and host country inflation rates and the best information available on future changes in foreign exchange rates.

**b. Costs to Partners**

**MANDATORY.** In presenting a planned new Strategic Objective, the Operating Unit must include the best available estimate of resources that are expected to be provided by other parties (such as the host country government, other donors, NGOs, PVOs, the private sector, other alliance partners) to help achieve the SO. This estimate should include counterpart contributions required by policy or law. USAID policy encourages cost sharing. Cost sharing requirements for host country governments (often referred to as “host country counterpart contributions”) are described in [ADS 350](#). Cost sharing on the part of private voluntary organizations (PVOs) and non-governmental organizations (NGOs) should be applied in a flexible way on a case-by-case basis. For more information, see the mandatory references, [Acquisition and Assistance Policy Directive \(AAPD\) #02-10, Cost Sharing in Grants and Cooperative Agreements to NGOs](#), and [USAID - U.S. PVO Partnership Policy Guidance](#).

**201.3.7.8 Strategic Objective Start and End Dates**

Effective Date: 01/31/2003

The Operating Unit must propose start and end dates for each new SO. The start and end dates may or may not be the same as the Strategic Plan timeframe (see **201.3.6.2**). In the Strategic Plan, the Operating Unit must also confirm or change end dates for any previously approved SOs. The SO end date does not have to be the same for each SO in a given Strategic Plan.

In some cases, particularly when SOs are added during the implementation of an approved Strategic Plan (see **201.3.11.5**), an SO end date may be set that intentionally extends beyond the current Strategic Plan with the expectation that the SO will be continued into a subsequent Strategic Plan.

The significance of setting start dates and end dates relates to both program and financial management. An SO **start date** is set in the first fiscal year in which funds may be obligated for the approved SO. The SO **end date** is the date by which it is estimated that all activities financed under the SO will be completed. All funds obligated under a given SO should be expended by the SO end date. Funds remaining unused after the SO end date should be deobligated (see [ADS 621](#)).

To ensure consistency with Agency forward funding guidance in [ADS 602](#), the SO end date should not extend beyond the end of the fiscal year following the last fiscal year during which funds will be obligated for that Strategic Objective. Note that the SO end date might not be the same as the specified end date for an obligating or sub-obligating instrument, as described in **201.3.12.2**.

**201.3.7.9 Special Objectives (SpO)**

Effective Date: 01/31/2003

As defined in [ADS 200.6](#), a **Special Objective** is

...an objective that is difficult to define and measure or is not directly linked to a goal in the Agency Strategic Plan. Special Objectives are expected to be small in scope, relative to the total portfolio of any Bureau. Special Objectives should meet at least one of the following criteria:

- Represents a response to a legislated earmark or special foreign policy interest beyond what is described in the Agency Strategic Plan or that does not contribute directly to an Operating Unit's Strategic Objectives.
- Is exploratory or experimental in nature, such as development of a new program area.
- Is research and contributes to the achievement of an Agency goal.
- Responds to an emergency or short-term post-crisis stabilization effort, such as when an interim Strategic Plan is indicated.

**Planning requirements.** Unless otherwise specified in the planning parameters, or unless one of the exceptions in **201.3.4.5** is invoked, the planning requirements for Special Objectives are the same as those for Strategic Objectives. In setting the planning requirements for Special Objectives, however, Bureaus should consider carefully the nature of Special Objectives, and should weigh judiciously the extent to which each requirement for planning a Strategic Objective should be applied.

In general, the Operating Unit should outline the timeframe for the Special Objective, expected results to be achieved, a proposal for evaluating results, and an estimated budget. Results of experimental or exploratory activities may have different criteria for success than other activities where USAID has more experience.

**201.3.7.10 Program Support Objectives (PSO)**

Effective Date: 01/31/2003

**Definition.** A Program Support Objective contains activities being implemented exclusively to support the achievement of other Strategic or Special Objectives in one or multiple Operating Units. The results of the activities under a PSO should be transparent through and attributed to another Strategic or Special Objective.

Examples of such support activities include some kinds of training, evaluation, administrative support, or technical support that are direct inputs into other SOs. For example, training activities or personal services contracts that support multiple SOs could fall into this category. Program Support Objectives are not intended for political initiatives such as earmarks. Instead, see Special Objectives in **201.3.7.9**.

**\*Planning requirements.** Operating Units do not have to design Results Frameworks for PSOs because the impact of the activities is likely to be captured and reported in the Results Frameworks of the other SOs. Operating Units should include in the PMPs indicators that will track the implementation of activities under PSOs to ensure that progress meets expectations. Operating Units do not, however, have to provide a narrative report on the progress of PSO activities in the SO narrative portion of the Annual Report, because the results of these activities will be realized in the SOs they support. Indicators measuring the progress of PSO activities should therefore be relevant to the SO being supported and should be part of the results frameworks of those SOs. Congressional notification requirements apply to any funds being obligated under PSOs (see ADS 201.3.12.2(f)). Operating Units should refer to the Annual Report guidance for more detail on reporting requirements for the PSOs.

Operating Units may pursue a combination of PSOs and SOs to achieve strategic impact. Operating Units should be careful to distinguish the purpose and tactics of these two kinds of objectives.

**Note.** Program Support Objectives should not be confused with Program Development and Learning (PD&L) Objectives. (see **201.3.3.5**)

## **201.3.8      Mandatory Technical Analyses for Developing Strategic Plans**

Effective Date: 01/31/2003

### **201.3.8.1      Overview**

Effective Date: 01/31/2003

Analysis helps Operating Units examine the feasibility of various aspects of proposed Strategic Plans against a number of criteria and helps confirm whether USAID-funded activities can be developed to achieve the planned results. Analysis helps planners determine whether the Strategic Objectives and intended results are appropriate, whether the tactics to achieve objectives and results are the most suitable and cost effective, and whether the plan can be implemented in the timeframe proposed and with the available resources. Analysis provides the basis for defining the development hypothesis represented in Results Frameworks, as well as critical assumptions that are beyond USAID or partner control. Analysis of critical factors is conducted, for the most part, before or during the development of the Strategic Plan rather than as a separate task after the planning process is complete. Evidence of sound analysis is a factor in approving Strategic Plans and Strategic Objectives.

The planning parameters for an Operating Unit Strategic Plan must confirm which technical analyses are required. Note that any analysis required by external regulation may not be waived. At a minimum, the technical analyses marked "mandatory" in the following sections must be conducted.

### 201.3.8.2 Environmental Analysis

Effective Date: 01/31/2003

**MANDATORY.** This analysis is required by Sections 118(e) and 119(d) of the Foreign Assistance Act of 1961, as amended, and may not be waived, modified, or eliminated by the responsible Bureau for country-level Operating Unit Strategic Plans.

- **Biodiversity:** All country-level Operating Unit Strategic Plans must include a summary of analyses of the following issues: (1) the actions necessary to conserve biological diversity, and (2) the extent to which the actions proposed meet the needs thus identified. For additional information, contact the Biodiversity Team based in the Bureau for Economic Growth, Agriculture, and Trade (EGAT).
- **Tropical Forestry:** For country-level Strategic Plans that cover countries that have any part of their territory within the tropics, each Strategic Plan must also include (1) a summary of their analyses of the actions necessary to achieve conservation and sustainable management of tropical forests and (2) the extent to which the actions proposed meet the identified needs. For additional information, see the additional help document, [PPC Summary Description of FAA sections 118\(e\) and 119\(d\) Requirements for Preparing Strategic Plans](#), and contact the Forestry Team, a part of the Bureau for Economic Growth, Agriculture and Trade (EGAT).

**Exemption.** This analysis is not mandatory for Pillar or Regional Strategic Plans that cover multiple countries (although in many cases the analysis may be desirable).

**Note:** The Environmental Analysis described above is not the same as the Environmental Review described in **201.3.12.2** section b. (The latter is a Federal requirement for the obligation of funds.) Given the interrelated character of environmental issues, Operating Units may wish to save time by conducting the Environmental Analysis and the Environmental Review during the development of the Strategic Plan. Given, however, that Environmental Reviews often require relatively detailed knowledge about planned activities, it may not always be possible to conduct the Environmental Review while developing the Strategic Plan.

### 201.3.8.3 Conflict Vulnerability Analysis

Effective Date: 01/31/2003

**\*MANDATORY.** As part of preparing a new country-level Strategic Plan, Operating Units in the field must

- a. Prepare an appropriate conflict vulnerability analysis that addresses the potential for conflict;
- b. Summarize the findings of such analysis in the Strategic Plan; and

c. Specifically indicate when and how these findings affect the proposed Strategic Plan.

\*This requirement applies only to situations where clear potential for conflict exists and is not intended for resolving, mitigating, or planning the recovery from current or past conflicts. In general, Operating Units should make maximum use of existing country team assessments of perceived economic, political, civil-military, or social tensions that could lead to violent conflict, including regional concerns if they exist. When proposing the Strategic Objectives “mid-stream,” Operating Units should consider conducting an appropriate analysis and should determine whether the scope of the planned new Strategic Objective warrants such analysis. For guidance on scope, methodology, or waivers, Operating Units should contact the Bureau for Democracy, Conflict, and Humanitarian Assistance, Office of Conflict Management and Mitigation (DCHA/CMM). Operating Units should also consult with the relevant regional Bureau for best practices in that region.

**Exemption.** Conflict Vulnerability analysis is not mandatory for Pillar or Regional Strategic Plans that cover multiple countries (although in many cases the analysis may be desirable). This analysis may be waived for country-level Operating Unit Strategic Plans by the Assistant Administrator of the responsible Bureau in the formal planning parameters.

#### **201.3.8.4 Gender Analysis**

Effective Date: 01/31/2003

**MANDATORY.** Strategic Plans must reflect attention to gender concerns. Unlike other technical analyses described in this section, gender is not a separate topic to be analyzed and reported on in isolation. Instead, USAID’s gender mainstreaming approach requires that appropriate gender analysis be applied to the range of technical issues that are considered in the development of a given Strategic Plan. Analytical work performed in the planning and development of SOs and IRs must address at least two questions:

- a. How will gender relations affect the achievement of sustainable results? and
- b. How will proposed results affect the relative status of men and women?

Addressing these questions involves taking into account not only the different roles of men and women, but also the relationship and balance between them and the institutional structures that support them. For technical assistance and additional guidance, consult the Operating Unit or Bureau gender specialist, or the Office for Women in Development (WID) in the Bureau for Economic Growth, Agriculture and Trade (EGAT).

### **201.3.9 Additional Technical Analyses for Developing Strategic Plans**

Effective Date: 01/31/2003

#### **201.3.9.1 Overview**

Effective Date: 01/31/2003

Beyond the mandatory requirements above, Operating Units may be required or may choose to conduct additional analyses. Such additional analysis should be specified in the official planning parameters.

Often a careful review of the available literature on a topic of interest will reveal high quality, already-completed analyses. For example, World Bank macro-economic analysis and sector assessments are often readily available and may be used as references or in lieu of new USAID-funded analysis. In addition, many donors post their country development strategies on the Internet, thus providing a valuable resource during donor coordination planning.

Analyses are often interdependent. For example, an agricultural sector analysis may also include gender as well as environmental analysis, thus approaching the sector from a more holistic point of view. It is, therefore, helpful for planners to determine at the outset what kind of information is needed and in what detail, keeping in mind costs and the time required to review the information.

Additional technical analysis may be needed for the purpose of designing and approving specific activities. To the maximum extent practicable, technical analysis conducted as part of developing a Strategic Plan and/or planning a new Strategic Objective should also provide the analytical basis for subsequent approval of activities by the Operating Units.

The Operating Unit and relevant Bureaus are responsible for verifying that sufficient technical analysis has been completed and is referenced in the Strategic Plan. As described in **201.3.10.3**, the issuance of a Management Agreement confirms that the proposed Strategic Plan and Strategic Objectives meet the analytical requirements.

#### **201.3.9.2 Donor Coordination Analysis**

Effective Date: 01/31/2003

The planning parameters should specify whether donor coordination analysis is required to help guide USAID decision-making in a particular country or sector. A donor coordination analysis identifies the obstacles and opportunities presented by other donors for each Operating Unit Strategic Objective and helps decide which planned results merit an investment of Operating Unit time and resources. (see the additional help document, [Donor Coordination Strategies](#).)



**201.3.9.3 Humanitarian Relief/Food Aid Assessments**

Effective Date: 01/31/2003

The planning parameters should specify whether this analysis is required. In planning food aid and/or humanitarian relief strategies or activities, the following references may be useful:

- The Office of Foreign Disaster Assistance (DCHA/OFDA)
- The additional help document, OFDA [Mitigation Practitioner's Handbook](#)
- The additional help document, OFDA [Field Operations Guide for Disaster Assessment and Response](#)
- The additional help document, [OFDA Guidelines for Grant Proposals and Reporting](#)

**201.3.9.4 Macro-Economic Analysis**

Effective Date: 01/31/2003

The planning parameters should specify whether this analysis is required. Macro-economic analysis examines overall trends in a nation's economy. Macro-economic policies influence significantly the likelihood the overall success of development strategies and the kinds of development programs that are likely to work well or poorly. This analysis includes summary measures of economic activity (such as the gross national product, the saving rate, or the consumer price index) and examines monetary policies, fiscal/budget policies, the exchange rate regime, inflationary pressures, major shifts in external economic relations, and balance of payments problems. This analysis, which is often available from the International Monetary Fund (IMF), World Bank, or other donor and private-sector organizations, provides a comprehensive look at the dominant changes in the economy rather than at the particular influences on individual parts of the economy. For more information, see the additional help document, [Economic Analysis of Assistance Activities](#).

**201.3.9.5 Sector Assessments**

Effective Date: 01/31/2003

The planning parameters should specify whether sector analyses are required, and if so in what sectors. Substantial gaps could exist in the analytical process between analysis of the broad assistance environment and more discrete activity analysis. Sector or sub-sector analysis is therefore often used to help link broad national-level aggregate analysis and analysis for separate activities. Examples of sector assessments include agriculture, food security, health, population, education, democracy, and environment. In addition to helping define which sectors are the most appropriate for USAID assistance, sector assessments should be helpful when designing specific Strategic Objectives and activities.

Sector assessments are encouraged for any new sector in which USAID will work and for sectors in which conditions have changed significantly since the last sector assessment. Operating Units should refer to sector assessments funded by other (non-USAID) organizations to meet these requirements if, in the judgment of the Operating Unit, the quality of the assessment is adequate to support USAID decision-making.

Many additional resources are listed in the comprehensive list of mandatory reference documents in [ADS 200.4](#) and the additional help documents in [ADS 200.5](#). In particular, see the following resources for sector assessments:

- The additional help document, [Conducting a DG Assessment: A Framework for Strategy Development](#)
- The mandatory reference, [USAID Political Party Assistance Policy](#)
- The additional help document, [Guidance for Preparation of Background Assessments on Biological Diversity and Tropical Forests for Use in CDSS or Other Country Plans](#)
- The additional help document, [Policy Determination \(PD\) #6, Environmental and Natural Resources Aspects of Development Assistance](#)
- The mandatory reference, [A Collaborative Approach to Reviewing HIV/AIDS Strategies](#)
- The mandatory reference, [Guidance on the Definition and Use of the Child Survival and Health Program Funds](#)
- The additional help document, [Population Assistance](#)
- The additional help document, [Conflict Prevention Guidance for Strategic Planning](#)
- The additional help document, [Introduction to Food Security Analysis](#)
- The additional help document, [Agricultural Sector Assessments](#)
- The additional help document, [Education Sector Assessment, Volume 5: Strategy Development and Project Design](#)

#### **201.3.9.6 Social Soundness Analysis and Institutional Development Analysis** Effective Date: 01/31/2003

The planning parameters should specify whether these analyses are required. Social Soundness Analysis helps determine the compatibility of a Strategic Objective or activity

with the socio-cultural environment, and the anticipated impact on different groups of people. Institutional Development Analysis helps determine whether some planned Strategic Objectives or activities may exacerbate market distortions and inefficiencies or facilitate structural change and development. In addition to helping define which sectors are the most appropriate for USAID assistance, these analyses may also be helpful when designing specific Strategic Objectives and activities. (see the additional help documents, [Institutional Development](#), and [Social Soundness Analysis](#))

#### **201.3.9.7 Political Analysis**

Effective Date: 01/31/2003

The planning parameters should specify whether this analysis is required. Broad political issues typically should be summarized in the “Overall Environment for Assistance” section of the Strategic Plan. In some cases it may be worthwhile to develop a stand-alone political analysis.

**MANDATORY.** When planning to engage in host-country political party assistance, Operating Units must follow the mandatory reference, USAID Political Party Assistance Policy

#### **201.3.9.8 Other Useful References for Strategic Analysis**

Effective Date: 01/31/2003

The planning parameters should specify what other additional analysis or analyses are required. Operating Units may refer to the additional documents listed below, which contain suggestions on the appropriate kinds and levels of technical analysis

- The mandatory reference, [International Affairs Strategic Plan](#).
- The mandatory reference, [USAID Strategic Plan, 2000](#).
- The additional help document, [USAID Strategy for Sustainable Development: An Overview](#).
- The additional help document, [USAID Guidelines for Strategic Plans](#).
- \*A public-private alliance is often the best way to implement development objectives. Testing that hypothesis will require the assessment of potential partners, the compatibility of their goals with USAID goals, and the resources, both financial and otherwise, that they would bring to an alliance. The Global Development Alliance (GDA) Secretariat assists Agency staff in the analysis process by serving as a clearinghouse for potential alliance partners. For more information on incorporating the alliance concept into an analysis framework, see Part 1 of the additional help document, [Tools for Alliance Builders](#) and [A Practical Framework](#).

- \*Agency staff should review past Agency and development partner analyses and experience, including alternative development approaches, the role and multi-dimensional impact of faith-based and community organizations as viable development partners, Results Frameworks, best practices, evaluations, and other development literature in preparing Strategic Plans. Agency staff can obtain this information through the research and reference capabilities provided by the **Development Information Service (DIS)** in the Bureau for Policy and Program Coordination (PPC). USAID development experience, evaluations, performance measurement tips, best practices information, and USAID-assisted country development trends data are also directly accessible through the internal Agency website of the Bureau for Program and Policy Coordination, Office of Development and Evaluation Information (formerly known as the Center for Development Information and Evaluation, CDIE), at <http://cdie.usaid.gov/> (only accessible within the USAID firewall).

### **201.3.10 Approving Strategic Plans and Strategic Objectives**

Effective Date: 01/31/2003

#### **201.3.10.1 Review Process**

Effective Date: 01/31/2003

The responsible Regional or Pillar Bureau has primary responsibility for guiding, reviewing, and approving country, multi-country, and sector Strategic Plans and Strategic Objectives (including Special Objectives and Program Support Objectives) for Operating Units within their purview with the clearance of other Bureaus per the procedures detailed below. The Assistant Administrator or his or her designee must provide the formal approval per the delegation of authority from the Administrator.

The responsible Regional or Pillar Bureau should organize a review process that is collaborative and elicits Agency-wide participation. Reviews should provide a forum for the Agency to agree on Strategic Plans and Strategic Objectives (including Special Objectives and Program Support Objectives) and to make final decisions on the program. This clearance process reflects a fundamental management principle in USAID that approved Operating Unit Strategic Plans and Strategic Objectives reflect the Agency's unified vision and strategic priorities for any given country, sector or program. These reviews mean that,

- PPC, M, GC, and Pillar Bureaus must review and clear Strategic Plans and Strategic Objectives (including Special Objectives and Program Support Objectives) for bilateral, regional, and sub-regional programs.
- PPC, M, GC, and Regional Bureaus must review and clear Pillar Bureau Strategic Plans and Strategic Objectives (including Special Objectives and Program Support Objectives).
- The review process for Pillar Bureau and Regional or sub-regional Strategic Plans and Strategic Objectives must include a mechanism to allow for input by

affected field Operating Units. If the responsible Bureau determines that there are security considerations, the Office of Security must review and clear the Strategic Plan.

During the clearance and approval process disagreements may arise between Bureaus. As the lead, the responsible Bureau will work for Agency consensus on the proposed Strategic Plan and/or Strategic Objectives. If there is no consensus, then PPC will work closely with all parties to obtain a satisfactory resolution. If this is not possible, then PPC will refer the issue to the Office of the USAID Administrator for final arbitration before Strategic Plan and Strategic Objective approval by the responsible Bureau Assistant Administrator.

Changes to Strategic Plans and Strategic Objectives (including Special Objectives and Program Support Objectives) must follow the requirements provided in **201.3.11**.

### **201.3.10.2 Roles in the Review Process**

Effective Date: 01/31/2003

Each USAID/W Bureau should review Strategic Plans and Strategic Objectives (including Special Objectives and Program Support Objectives) in light of their respective roles with areas of special emphasis as described in Figure 201E, Roles in the Review Process.

**Figure 201E, Roles in the Review Process**

<b>Bureau</b>	<b>Special Emphasis</b>
<b>Responsible Bureau</b>	Agency Strategic Plan, Annual Performance Plan, Bureau Planning Frameworks, geopolitical considerations unique to the region, interagency concerns, financial and human resource constraints, and technical soundness.
<b>PPC</b>	Agency-wide strategic and foreign policy priorities; adequacy of plans for measuring performance and documenting impact; consistency with Agency programming policy; and availability of program and Operating Expense resources.
<b>M</b>	Availability of staff resources; relationship to other management support functions.
<b>Pillar Bureaus</b>	Technical soundness of the plan by sector. In the case of DCHA, additional responsibilities include humanitarian assistance, food aid, transition from relief to development, conflict, crises, and related resources.
<b>GC</b>	Legal permissibility and related requirements.
<b>Regional Bureaus</b>	Assess impact and appropriateness of planned program based on needs and priorities within the region.
<b>SEC</b>	Security considerations.

**201.3.10.3 Management Agreement**

Effective Date: 01/31/2003

As defined in [ADS 200.6](#), a **Management Agreement** is

An agreement between an Operating Unit and its Bureau that provides approval to implement a proposed Strategic Plan. The Management Agreement provides a summary of agreements on a set of strategic and other objectives, confirmation of estimated resources over the Strategic Plan timeframe, SO start and end dates, and additional guidance on any special management concerns. Formerly called Management Contract.

The approval of all Operating Unit Strategic Plans must result in the establishment of a Management Agreement between that Operating Unit and Agency management. The Management Agreement should

- Summarize the agreement on a set of Strategic Objectives (including Special Objectives and Program Support Objectives).
- Provide Agency guidance on the long-term strategic direction of the program, key management or strategic issues, results expected, budget, staff, and OE resource parameters, and any special foreign policy interests in the country.
- Establish the Strategic Plan timeframe.
- Establish the effective start and end dates for new Strategic Objectives (including Special Objectives and Program Support Objectives) that are created with approval of the Strategic Plan.
- Confirm or change end dates for any previously approved Strategic Objectives (including Special Objectives and Program Support Objectives).
- Provide confirmation of estimated resources that will be made available over the Strategic Plan timeframe pending the availability of U.S. funds, and how the resources relate to Agency goals and programs.
- Establish an authorized life of SO funding level for each Strategic Objective (including Special Objectives and Program Support Objectives).
- Provide appropriate delegations of authority (DOA) or reference an existing DOA to allow the Operating Unit to proceed with implementation. These authorities remain in effect unless and until amended.
- Confirm the SO number(s) and titles from the financial management system. (Note: To receive an SO number, the responsible Bureau must request that the Bureau for Policy and Program Coordination, Office of Development Evaluation

and Information (PPC/DEI) assign a new number in the Phoenix Accounting System.)

- Outline any management conditions or other issues that require further action by either the responsible Bureau or the Operating Unit (for example, an Operating Unit may be instructed to wait to start a new SO based on the availability of additional staff).

All parties, including the Operating Unit and Bureaus participating in the clearance and review process (see **201.3.10.1**), must agree to the text of the Management Agreement. A cable or memorandum from the responsible Bureau should document and confirm the agreement of all parties. In cases where the Management Agreement is issued without Operating Unit clearance, it is presumed that it is agreed to if the Operating Unit does not request a modification within 60 days of receipt. The Management Agreement serves as a delegation of authority for the Operating Unit to proceed in implementing agreed-upon SOs. It is presumed that the Management Agreement has been reconfirmed following the Annual Report review unless the responsible Bureau specifically issues a change or update.

The Management Agreement should consist of the final, approved Strategic Plan, an official record of the guidance emerging from the review of the plan (usually in the form of a cable), and any subsequent modifications to either document. Results, programs, staff, and OE resources are linked. When one of these variables changes, the others can be redefined in the context of the Annual Report process. Modifications should include, at a minimum, cables or memoranda documenting annual budget decisions and the decisions reached at Annual Report and other program reviews, as described in **201.3.11**. Operating Units should document all subsequent modifications to the original Management Agreement. These documents must be retained in accessible files in the Operating Unit and in the responsible Bureau per the record-keeping requirements sections of [ADS 202](#) and in [ADS 502](#).

**Note:** [ADS 203.3.12](#) requires Operating Units to submit the final, approved Strategic Plan with its Strategic Objectives and any subsequent revisions (such as the addition of a new SO in a later year) to the Development Experience Clearinghouse.

#### **201.3.10.4 Management Letter**

Effective Date: 01/31/2003

Each Bureau may provide new heads of Operating Units with a management letter that provides Bureau guidance on the long-term strategic direction of the program, key management or strategic issues, resource parameters, and any special foreign policy interests in the country. Issuance of such letters by Bureaus is optional. Management letters should not be used to substitute for, or substantially revise, instructions provided in planning parameters or Management Agreements unless they are subject to the same formal clearance requirements.

**Note:** ADS chapter 201 uses the term “Strategic Objective” to apply generically to Strategic Objectives, Special Objectives, and Program Support Objectives. Unless otherwise specified, all planning, documentation, reporting, and other requirements that apply to Strategic Objectives also apply to Special Objectives (see **201.3.7.9**) and Program Support Objectives (see **201.3.7.10**).

### **201.3.11 Updating and Revising Planning Documents**

Effective Date: 01/31/2003

Any additions, deletions, or revisions to a Strategic Plan are considered amendments to the current plan. SOs that have approved end dates which go beyond one Strategic Plan period must be incorporated into the next Strategic Plan. The following subsections detail procedures and requirements that apply when making changes to Strategic Plans and their SOs. In some cases, more than one subsection may be applicable to a single change. Operating Units must follow all applicable subsections.

#### **201.3.11.1 Increasing the Authorized Life of SO Funding Level**

Effective Date: 01/31/2003

**When to change.** The Management Agreement established an authorized life of SO funding level (see **201.3.10.3**). In some instances, additional funding is necessary to achieve an existing, approved SO.

**How to initiate change.** Operating Units should express interest in increasing the authorized life of SO funding level by submitting an action memorandum to the responsible Bureau, or by using the Annual Report cover memo. The request should identify the amount of the increase and describe, in general terms, what impact and/or additional results can be expected from the funding increase. If no additional results will be achieved with the additional funding, the Operating Unit must provide a strong justification for additional funding.

**With whom to consult.** The responsible Bureau should organize a review and approval process following the guidance in **201.3.10**.

**How to approve.** The Assistant Administrator of the responsible Bureau or his/her designee must approve the new authorized life of SO funding level. The responsible Bureau must document this approval, and thus officially modify the Management Agreement, in writing (usually via memorandum or cable to the Operating Unit).

**Exception:** The Operating Unit may unilaterally increase the authorized life of SO funding level by up to and including 10 percent of the amount initially approved by the responsible Bureau Assistant Administrator. In such cases, the Operating Unit should consult with the responsible Bureau to confirm the availability of funding and the possible need for Congressional notification. The Operating Unit should communicate the new authorized life of SO funding level in the Annual Report cover memo. Increases above 10 percent and up to and including 25 percent of the amount initially approved require a new approval by the responsible Bureau AA with no additional



Agency-wide clearances. Any further increases beyond this 25 percent threshold must follow the review and approval process described in **201.3.10**.

**Note:** Any “significant” change to an existing, approved SO for any amount of funding requires responsible Bureau AA approval with other clearances. (see **201.3.11.4** for specific procedures.)

### **201.3.11.2 Extending the End Date of a Strategic Objective**

Effective Date: 01/31/2003

**When to change.** In some cases, Operating Units may want to propose a time extension of a Strategic Objective end date (including Special Objectives and Program Support Objectives). Possible reasons for extending the SO end date include

- Additional time is required to ensure orderly SO close out,
- A “bridge” is needed to a follow-on Strategic Objective;
- The SO has a pipeline and still has not achieved previously agreed-upon results;
- The SO has a pipeline and has achieved all previously agreed-upon results but the Operating Unit would like to achieve additional results with the same Results Framework (for example, by expanding activities to new geographic areas or by serving more beneficiaries in current areas); or
- Some previously agreed-upon results have not been achieved yet due to either the lack of sufficient funding over the years or other circumstances.

**How to initiate change.** If no new funding obligations are needed, then the Operating Unit should document the reason for extending the SO end date in its files. If new funding obligations are needed, but the sum total of current obligations plus additional obligations does not exceed the authorized life of SO funding level, then the Operating Unit should document, in its files, the reason for extending the SO end date. If new obligations are needed in a new fiscal year beyond the previously approved SO end date, then the Operating Unit should send a request in writing (either in a memorandum or through the Annual Report cover memo) for an SO end date extension. (If the authorized life of SO funding level will be exceeded, see **201.3.11.1**.)

**With whom to consult.** The Operating Unit should consult with the responsible Bureau regarding the availability of funding. The responsible Bureau program office should confirm the availability of funding. No additional consultations or clearances are required if no other changes are being made.

**How to approve.** The Operating Unit should approve the new SO end date and communicate the new SO end date to the responsible Bureau in the Annual Report cover memo. The responsible Bureau should document this approval, and thus

officially modify the Management Agreement, in writing (usually via memorandum or cable to the Operating Unit).

### **201.3.11.3 Extending the Strategic Plan Timeframe**

Effective Date: 01/31/2003

**When to change.** In some cases, Operating Units may request to extend the end dates of all currently approved SOs (including Special Objectives and Program Support Objectives). Reasons may include wanting to postpone the development of a new Strategic Plan, because of the impending arrival of new Mission management, a recent natural or man-made disaster, or a recent change in host-country government administration or policy.

**How to initiate change.** Operating Units should request extending the current Strategic Plan (with its SOs) and postponing the development of the next Strategic Plan by submitting an action memorandum to the responsible Bureau, or by using the Annual Report cover memo. The request should include a justification for postponement and should state the date by which the Operating Unit expects to submit a new Strategic Plan for approval.

**With whom to consult.** Operating Units may delay submission of their Strategic Plans by six months if the responsible Bureau does not object. A delay of more than 6 but less than 12 months must be approved by the responsible Bureau. No additional clearances are required. Any delay beyond 12 months must be approved by the responsible Bureau and cleared by PPC.

**How to approve.** The Assistant Administrator of the responsible Bureau or his/her designee must approve postponing development of a new Strategic Plan. The responsible Bureau must document this approval, and thus officially modify the Management Agreement, in writing (usually via memorandum or cable to the Operating Unit). New SO end dates should be clearly stated.

### **201.3.11.4 Changing an Existing, Approved Strategic Objective**

Effective Date: 01/31/2003

**When to change.** Changes to Strategic Objectives (including Special Objectives and Program Support Objectives) should be based on evidence that the direction of the program must be modified. This could include dramatic changes in country or other conditions external to the program; achievement of an SO on an accelerated basis; evidence that an SO is impractical; or a major shift in Agency or U.S. policy or resource availability.

**How to initiate change.** In these cases, the Operating Unit should first consider whether the change to the SO is “significant” or not. A “significant” change could include a change in resources, in a Results Framework, in performance indicators, or even their targets. If the Operating Unit considers the change to be “significant,” then it

must send a memorandum to the responsible Bureau or use the Annual Report cover memo to request approval to change the SO. The Operating Unit should state why it considers this change to be “significant” and describe the proposed change.

If an Operating Unit is uncertain as to whether a change in an SO, SpO or PSO is “significant” or not, it should request guidance from the responsible Bureau.

If the change is not “significant,” the change should be reported in the Annual Report cover memo as previously approved by the Operating Unit.

**Note:** Changes in resource levels should be linked closely to changes in results achievement. See **201.3.11.1** on increasing the authorized SO funding level. See also [ADS 203.3.4.7](#) on changing performance indicators.

**With whom to consult.** “Significant” changes must be cleared by PPC, the appropriate Pillar Bureau for that SO or the appropriate Regional Bureau(s) for a Pillar Bureau SO. Depending on the situation, additional clearances by GC, M, or SEC may be advisable. See Figure 201E, Roles in the Review Process.

**How to approve.** The Assistant Administrator of the responsible Bureau or his/her designee must approve “significant” changes to an existing, approved SO (including SpO and PSO). The responsible Bureau must communicate its approval to the Operating Unit in writing.

#### **201.3.11.5 Adding a New Strategic Objective Mid-Stream**

Effective Date: 01/31/2003

**When to change.** In some cases, Operating Units may want to propose a new Strategic Objective (or Special Objective or Program Support Objective) “mid-stream” during the implementation of an existing, approved Strategic Plan. Possible reasons for the addition of a new SO could include the availability of new funding or types of funding, changes in the country context, or Congressional or presidential initiatives.

**How to initiate change.** When proposing a new Strategic Objective, Operating Units should follow the same general review and approval process as for new Strategic Plans, as provided in **201.3.10**, with the following modifications:

- Operating Units should express interest in developing a new SO by submitting an action memo to the responsible Bureau, or by using the Annual Report cover memo.
- The responsible Bureau and the Operating Unit should agree on planning parameters, such as those described in **201.3.5.3**, in order to clarify what level of technical analysis and documentation is needed for adequate planning. In most cases, the Operating Unit will not need to repeat the mandatory technical analyses in **201.3.8**. If in doubt, the Operating Unit should consult with the

responsible Bureau. The Operating Unit must assure adequate documentation per the content of Strategic Objectives in **201.3.7**.

- Documentation for the new SO should build upon the existing, approved Strategic Plan and should be limited to that additional information needed to support Agency decision-making about the proposed objective.

**With whom to consult.** The responsible Bureau should organize a review and approval process following the guidance in **201.3.10**.

**How to approve.** The Assistant Administrator (or designee) of the responsible Bureau must approve the new SO with the appropriate clearances as described in **201.3.10**. The responsible Bureau must document this approval, and thus officially modify the Management Agreement, in writing (usually via memorandum or cable to the Operating Unit).

### **201.3.12 Pre-Obligation and Activity Planning Requirements**

Effective Date: 01/31/2003

As an agency of the U.S. Government, USAID must fulfill certain regulatory and statutory requirements before it may obligate USG funds. Some of these requirements are met during the process of strategic planning, as described in **201.3.6** and **201.3.7**. Other requirements not met during strategic planning must be met at the activity planning stage before funds are obligated. The following sections provide guidance on meeting requirements for obligation of funds (“pre-obligation requirements”) and for adequate planning for the design of activities (“activity planning”).

#### **201.3.12.1 Common Obligating Scenarios**

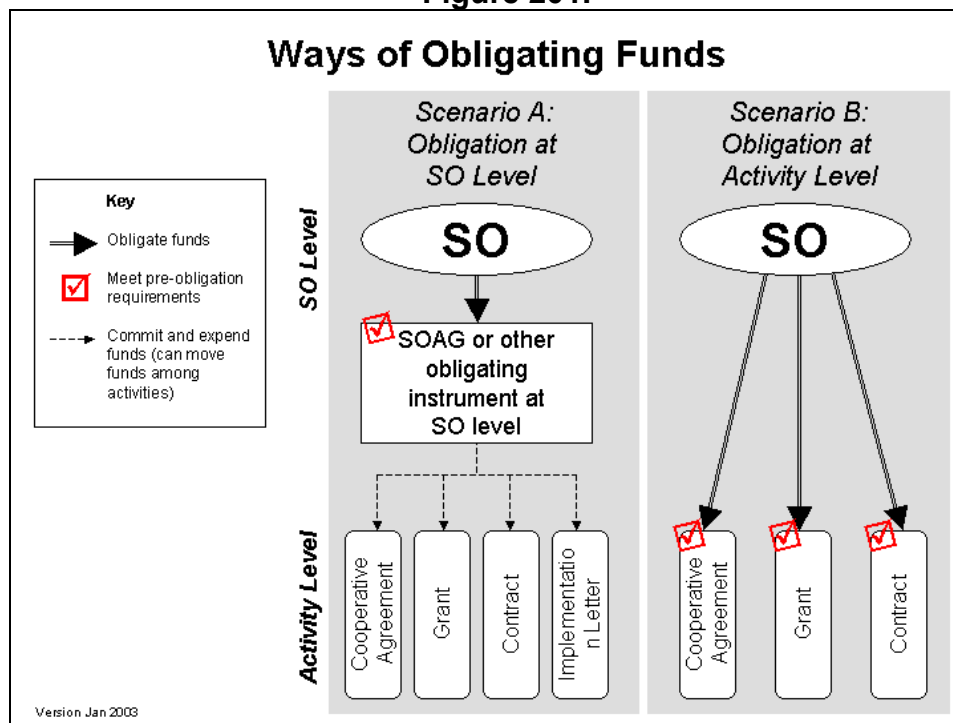
Effective Date: 01/31/2003

The specific order of steps for pre-obligation and activity planning requirements depends on the level at which funds will be obligated. In some cases, Operating Units obligate funds at the Strategic Objective level for all activities with that SO; in other cases funds are obligated at the level of specific activities. Before 1995, USAID’s predominant practice was to complete all activity planning before obligation. As of 2002, the predominant practice is to obligate at the Strategic Objective level. Yet for various reasons, many Operating Units continue to obligate funds at the activity level rather than at the Strategic Objective level.

Figure 201F<sup>2</sup>, Ways of Obligating Funds, shows graphically how funds are obligated and the possible instruments used under the two different scenarios depicted. The figure also indicates the level at which pre-obligation requirements are met. Although the two scenarios are the most common, some Operating Units have developed other options or hybrids of the two approaches to meet the needs of a particular country. For example, an Operating Unit may use both scenarios A and B. The choice of how to structure obligations is up to the obligation officer (usually the Contracting Officer or Mission Director) and the Operating Unit.

For more information on Strategic Objective Agreements (SOAGs), as well as the USAID SOAG model/template, see [ADS 350](#). For more information on grants, cooperative agreements and contracts, see [ADS Series 300](#).

Figure 201F



The logical order of pre-obligation and activity planning requirements varies slightly for each scenario. Figure 201G, Process Order under Scenarios, shows the general process that should be followed for each scenario. For more detailed information about pre-obligation requirements, see **201.3.12.2**. For more detailed information about activity planning requirements, see **201.3.12.4**.

Figure 201G, Process Order under Scenarios

Scenario A: Obligation at the Strategic Objective Level	Scenario B: Obligation at the Activity Level
<ul style="list-style-type: none"> <li><b>Meet Pre-Obligation Requirements.</b> In Scenario A, an Operating Unit typically develops a Strategic Objective Agreement (SOAG) or other bilateral or multilateral instrument with the host government. The FAA Section 611(a) statutory requirement for adequate technical and financial planning before obligation must be met when the agreement is signed. Typically detailed activities are not planned until after the SOAG is signed (see Pre-Obligation Requirements in</li> </ul>	<ul style="list-style-type: none"> <li><b>Meet Activity Planning Requirements.</b> In Scenario B, an Operating Unit does not obligate funds until activities are ready for approval. Activity approval therefore usually depends on meeting both the pre-obligation and the activity planning requirements. (see Activity Planning Requirements in <b>201.3.12.4</b>) Documentation is in the form of an Activity Approval Document.</li> </ul>

Scenario A: Obligation at the Strategic Objective Level	Scenario B: Obligation at the Activity Level
<p>201.3.12.2)</p> <ul style="list-style-type: none"> <li>• <b>Develop SOAG or other bilateral or multilateral instrument.</b> In Scenario A, the usual obligating mechanism is an umbrella grant agreement with a host government to achieve a Strategic Objective, called a Strategic Objective Agreement (SOAG). While a SOAG grants funds to the host government, the SOAG normally provides that those funds will be used to implement activities under a variety of mechanisms, often chosen in consultation with the host government and disbursed and managed directly by USAID. For a model format for SOAG, see <a href="#">ADS 350</a>.</li> <li>• <b>Obligate Funds</b> by signing SOAG.</li> <li>• <b>Meet remaining Activity Planning Requirements.</b> When detailed activities are later planned, they are subject to the activity planning requirements set forth in <b>201.3.12.4</b>. Documentation is in the form of an Activity Approval Document. Activities are generally not subject to pre-obligation requirements again, because the funds have already been obligated at the Strategic Objective level.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Choose Obligating Instrument.</b> Obligation occurs at the activity level, and the usual obligating mechanism is an acquisition (contract) or assistance (grant or cooperative agreement) instrument. Guidance on the use of these instruments, their format and content, and the competitive and other procedures that must be followed before their execution, is provided in <b>201.3.12.11</b> and <a href="#">ADS Series 300</a>. If funds will be obligated to a host government at the activity-level, a Limited Scope Grant Agreement (LSGA) may be an appropriate obligating instrument. See <a href="#">ADS 350</a> for guidance on the format and use of LSGAs.</li> <li>• <b>Meet Pre-Obligation Requirements.</b> (see Pre-Obligation Requirements in <b>201.3.12.2</b>)</li> <li>• <b>Obligate funds</b> by signing contract, grant, cooperative agreement, or Limited Scope Grant Agreement (LSGA).</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Sub-Obligations.</b> If USAID directly implements activities under a SOAG, then USAID sub-obligates funds by signing grants, cooperative agreements, or contracts (see Figure 201H and <b>201.3.12.11</b>). If the host country government directly implements activities under a SOAG, then USAID commits funds through an Implementation Letter to the host country government. If using host-country contracting, see <a href="#">ADS 305</a>.</li> </ul>	

### 201.3.12.2 Pre-Obligation Requirements

Effective Date: 01/31/2003

**MANDATORY.** Operating Units must ensure that all pre-obligation requirements labeled as “mandatory” in this ADS section have been met before USAID-appropriated funds are obligated and activities approved. The completion of these requirements must be adequately documented.

Many, although not all, of the pre-obligation requirements are based on statute or regulation. One of the statutory pre-obligation requirements is the Foreign Assistance

Act (FAA) Section 611(a), which requires that there be adequate technical and financial planning for all obligations in excess of \$500,000. Section 611(a) states that

**Sec. 611.<sup>752</sup> Completion of Plans and Cost Estimates.** — (a) No agreement or grant which constitutes an obligation of the United States Government in excess of \$500,000<sup>753</sup> under section 1501 of title 31, United States Code,<sup>754</sup> shall be made for any assistance authorized under chapter I of part I, title II of chapter 2 of part I, or chapter 4 of part II—<sup>755</sup>

611 (a) if such agreement or grant requires substantive technical or financial planning, until engineering, financial, and other plans necessary to carry out such assistance, and a reasonably firm estimate of the cost to the United States Government of providing such assistance, have been completed;”

The FAA Section 611(a) requirement for adequate planning before obligation may be met in several ways, as follows:

- An activity may be fully planned at the time of obligation. Before 1995, USAID’s predominant practice was to complete all activity planning before obligation. This remains the practice for many programs that do not obligate at the Strategic Objective level.
- In many cases, the planning done while developing a Strategic Plan may also contain enough detail to satisfy the pre-obligation requirements. This, for example, is what usually occurs when an Operating Unit chooses to obligate funds at the Strategic Objective level through signature of a Strategic Objective Agreement (SOAG) or other bilateral, government to government obligating instrument.
- If all activity planning is not completed before SOAG obligation, FAA Sec. 611(a) requirements must be met by establishing, before obligation, criteria and procedures for activity selection, together with a list of illustrative activities with estimated budgets. The key is to demonstrate, at the time of obligation, the feasibility of achieving the result for which the obligation is made. In this case, the detailed activity planning requirements described in **201.3.12.4** must be met at the time of approval of each specific activity and before sub-obligation.

**MANDATORY.** Although FAA Section 611(a) applies only to obligations in excess of \$500,000, USAID requires that adequate technical and financial planning must be conducted for all obligations regardless of size. The minimum requirements that must be met before any obligation of funds are as follows:

- a. Adequate Planning.** The assistance must be adequately planned and described. The degree of planning required before obligation varies depending on the nature of the assistance and the nature of the chosen obligating

instrument. The following minimum mandatory requirements are designed to ensure that Operating Units adequately plan all assistance before obligation.

- **Link to Approved Strategic Plan.** Planning documentation must indicate how the assistance will use Agency resources to support achievement of Strategic Objectives in an approved Strategic Plan (except in the special cases identified in **201.3.4.5**).
- **Link to Results Framework.** Except in the special cases identified in **201.3.4.5**, planning documentation must show how the assistance is linked to a result or results specified in an approved Results Framework and how it will achieve intended results. (The latter requirement normally includes describing linkages between implementing institutions and ultimate customers, use of USAID and partner personnel, and definition of overall responsibilities and authorities.)
- **Illustrative Budget.** Planning for the assistance must include an illustrative budget that provides a reasonably firm estimate of the cost of the assistance to the U.S. Government.
- **Plan for Monitoring Performance.** Planning for the assistance must include a plan for monitoring adequacy of outputs and their effectiveness in achieving intended results. This plan should form part of the Performance Management Plan (PMP) for that SO.

As part of pre-obligation requirements (see **201.3.12**, introductory paragraph), Operating Units must specify end dates for all obligating and sub-obligating instruments executed by USAID. The effective period of these instruments may extend beyond the SO end date. Funding and expenditure, however, must not extend beyond the SO end date. Additional funding may be provided under a new or extended SO.

For additional information, please refer to the following mandatory references:

- [Section 611\(a\) of the Foreign Assistance Act of 1961](#), as amended;
- [AIDAR](#);
- [22 CFR 228](#);
- [ADS 203](#),
- [ADS 303](#), and
- [ADS 312](#).



**b. Environmental Review.** An Initial Environmental Examination (IEE), Request for Categorical Exclusion (CE), Environmental Assessment (EA), or other appropriate action under the USAID Environmental Procedure must be completed for the program, activity, or substantive amendment and approved by the relevant Bureau Environmental Officer before the obligation of funds as mandated by Federal Law. (see the mandatory references [22 CFR 216](#) and [ADS 204](#).)

Adequate review of environmental considerations normally requires a relatively detailed description and analysis of planned interventions; recommended, mitigative measures; and local public participation in the review process.

If Operating Units do not allocate resources and define such details at the pre-obligation planning stage, they must, at minimum, request and receive from their Bureau Environmental Officer a written approval of their request to defer review and incorporate appropriate conditions precedent to disbursement. This approval will ensure proper environmental review before disbursement. Operating Units must be prepared to modify and fund revisions to the SO and its activities, if necessary, in accordance with the USAID Environmental Procedure.

- **Biosafety.** If an activity will potentially involve the use of genetically modified organisms in research, field trials, or dissemination, the activity must be reviewed and approved for compliance with applicable U.S. requirements by the Agency Biosafety Committee in Washington before the obligation of funds and before the transfer, testing, or release of biotechnology products into the environment.
  - The biosafety review that is reviewed and approved is limited to the safety aspects of the proposed activity and often involves external peer review or demonstration of comparable safety oversight by other expert U.S. federal agencies. This biosafety determination is separate from, and should precede and inform, the [22 CFR 216](#) environmental impact assessment process. Since it precedes the 22 CFR 216 process, Operating Units should budget adequate time and funding in the design process for this review. It is difficult to predict the amount of time needed, since reviews are highly dependent on the amount of analysis and information provided, whether other expert Federal Agency biosafety reviews have been completed, whether additional information will be required, and whether external peer reviews will be undertaken. Therefore, it is important for an Operating Unit to contact USAID/Washington as early in a design process as possible to ensure timely handling.
  - Biosafety review cannot be waived or delegated to the field. Additional ADS guidance on compliance with this requirement is in development and will be incorporated into the ADS as it becomes

available. Please consult directly with Agency biosafety staff, such as the Agency Environmental Coordinator, who is based in the Bureau for Economic Growth, Agriculture and Trade and the Bureau for Global Health if there is a potential for the use of genetically modified organisms.

- **Global Climate Change.** If an Operating Unit will potentially undertake global climate change activities, the Global Climate Change team based in the Bureau for Economic Growth, Agriculture and Trade (EGAT) must review and approve the activity for compliance with the Knollenberg Amendment, as described in the mandatory reference, [Guidance on Complying with the Knollenberg Amendment for Climate Change-Related Programs](#).
- c. **Country-Level Statutory Review (“Country Checklist”).** For information on a country checklist, which must be prepared for the country or countries for which the activity will provide assistance, see **201.3.3.4**, section a. For information on Activity Information Sheets, which must be completed when planned activities will not be managed by USDH staff residing in host countries, see [ADS 203.3.9](#).
- d. **Obligation-Level Statutory Review (“Assistance Checklist”).** An assistance checklist must be prepared for each obligation, as described in **201.3.3.4** section b, to comply with applicable statutes.
- e. **Approval by an Authorized Official.** An authorized official must approve the assistance, as described in [ADS 103.3.8](#).
- f. **Congressional Notification.** Congress must be notified and there must be no outstanding congressional objection. (see the mandatory reference, [FAA Section 634A, Foreign Operations Appropriations Act](#) provisions for relevant fiscal year.)
- g. **Funds Availability.** Funds must be available before actual obligation and their availability formally shown on the record. (see the mandatory reference, [Federal Anti-Deficiency Act – 31 U.S.C. Section 1341\(a\)\(1\)](#))

Also see the additional help document, [Model Checklist for Pre-Obligation Requirements](#).

#### **201.3.12.3 Clarification of Activity and Project**

Effective Date: 01/31/2003

The guidance throughout [ADS 203.3.12](#) applies to all types of USAID activities, including projects, non-project assistance, and food aid.

As defined in [ADS 200.6](#), an **activity** is

A set of actions through which inputs, such as commodities, technical assistance, training, or resource transfers, are mobilized to produce specific outputs, such as vaccinations given, schools built, microenterprise loans issued, or policies changed. Activities are undertaken to achieve Strategic or Special Objectives that have been formally approved and notified to Congress.

A **project** should be considered one of several possible types of activities that could contribute to a given result or set of results. A project is a structured undertaking (often involving considerable funds, personnel, and equipment) of limited duration that is developed through various administrative, analytical, and approval processes in order to achieve a tangible objective (such as a school construction project or an adult literacy project).

**Note:** Before 1995 the term “project” was used within USAID to refer to programming policies that have since changed. Accordingly, the term carries with it a certain legacy of how USAID used to fund “projects” instead of “activities.” USAID emphasizes that its pre-1995 requirements for “project design” are no longer in force.

**Non-Project Assistance** (also known as **Program Assistance**) is another type of activity that can be used to help achieve a given result or set of results. The distinguishing feature of program assistance is the manner in which USAID resources are provided. Under this mode, USAID provides a generalized resource transfer, in the form of foreign exchange or commodities, to the recipient government. This is in contrast to other types of assistance in which USAID finances specific inputs, such as technical assistance, training, equipment, vehicles, or capital construction. This distinction parallels the distinctions in law and previous USAID usage between project and non-project assistance. (see the mandatory reference, [Program Assistance](#))

#### **201.3.12.4 Overview of Activity Planning Requirements**

Effective Date: 01/31/2003

Operating Units must conduct adequate activity planning. This section summarizes the major requirements for adequate activity planning.

The Agency approach to activity planning is based on several principles intended to promote flexible and speedy responses while minimizing internal processes and reducing cost. These principles apply to all types of USAID activities: projects, non-project assistance, and food aid. The principles are as follows:

- **Activities contribute to achieving approved objectives.** Operating Units should question and refrain from activities with little tangible impact on intended results. The purpose and justification of any activity is to achieve defined results at the IR or SO level. SOs provide the rationale for activities and trigger the processes to support them. The processes for requesting funds, notifying

Congress, and reporting on progress are centered on approved Strategic Objectives.

- **Bureaus approve strategies, and Operating Units approve activities.** This approach focuses program accountability on results (not just inputs and outputs) and gives Operating Units the flexibility needed to adjust to changing circumstances. Operating Units should adjust tactics, approaches, and activities as needed to improve the probability of achieving agreed upon SOs. Approaches include the use of public-private alliances where USAID serves as a catalyst, facilitator, or partner in order to achieve their desired results. Some activities or portions of activities may need approval at higher levels than the Operating Unit due to special concerns or when special waiver authorities are needed.
- **Simplicity and low management cost are vitally important.** Activity design should seek to group activities into the fewest number of management units possible and delegate appropriate decision-making to implementing partners. When an alliance approach is chosen, as well as when using other approaches, the Agency seeks to make decision-making as streamlined as possible. This serves to lower USAID management and procurement burdens, reduce overhead costs, and allow staff to focus on development issues rather than internal processes.
- **Documentation flexibility is key.** Operating Units have the flexibility to determine the documentation necessary to support approval of activities and establish an audit trail. An audit trail is documentation demonstrating the processes used to arrive at decisions and confirming whether authorized officials made decisions. This flexibility is provided to reduce cost and improve efficiency. For guidance on acceptable standards for SO Team files, see [ADS 202.3.4.6](#).
- **Level of planning depends on activity.** "Adequate" planning depends upon the nature of the activity. For instance, an activity to construct one complex infrastructure installation may require more detailed planning than an activity to accomplish a result that can be achieved in a number of different ways that are easily adjustable during the course of implementation. Ultimately, the Operating Unit approving a particular activity is responsible for determining whether that activity has been planned adequately.

This section provides additional guidance on designing activities for both common scenarios described in **201.3.12.1** and as listed in Figure 201H, Twelve Steps in Activity Planning. The common scenarios are "**Obligating Scenario A**" when funds are obligated at the Strategic Objective level through a Strategic Objective Agreement (SOAG) or other bilateral or multilateral instrument; and "**Obligating Scenario B**" when funds are obligated at the activity level via an acquisition or assistance (A&A) instrument. Although the process described below is not mandatory, the specific steps labeled MANDATORY are mandatory. The key steps in the process of activity planning

are applicable to a broad range of situations. However, not all steps will be taken in all cases. While outlined in a step-by-step fashion for clarity of presentation, steps may be revisited several times as the activity planning process moves along. The order may vary somewhat as well. Operating Units have the flexibility to adapt the specific steps as necessary. Preliminary work on some steps (such as identifying illustrative activities) probably was conducted during the development of the Strategic Plan, as provided in **201.3.7**.

**Figure 201H, Twelve Steps in Activity Planning**

No.	Description	Obligating Scenario A	Obligating Scenario B
1	Develop an Operationally Useful Results Framework (see <b>201.3.12.5</b> )	✓	✓
2	Conduct Analyses as Needed (see <b>201.3.12.6</b> )	✓(a)	✓(a)
3	Clarify the Role of Partners (see <b>201.3.12.7</b> )	✓	✓
4	Assess Capacity of Potential Implementing Partners (see <b>201.3.12.8</b> )	✓	✓
5	Formulate Initial Cost Estimate and Develop Financial Plan (see <b>201.3.12.9</b> )	✓(b)	✓(b)
6	Develop Acquisition and Assistance (Procurement) Plan (see <b>201.3.12.10</b> )	✓(b)	✓(b)
7	Select Implementing Instrument (see <b>201.3.12.11</b> )	✓	✓
8	Determine Appropriate Team Management Structure (see <b>201.3.12.12</b> )	✓	✓
9	Identify Additional Planning Considerations (see <b>201.3.12.13</b> )	✓	N/A
10	Determine and Meet Remaining Pre-Obligation Requirements (see <b>201.3.12.14</b> )	N/A	✓(c)
11	Prepare Activity Approval Document (AAD) (see <b>201.3.12.15</b> )	✓(b)	✓(b)
12	Obtain Formal Approvals/Approve Activity (see <b>201.3.12.16</b> )	✓(b)	✓(b)
<p>(a) Only the gender analysis portion of this step is mandatory.</p> <p>(b) The step is mandatory.</p> <p>(c) The step is mandatory for all outstanding pre-obligation requirements.</p>			

### **201.3.12.5 Activity Planning Step 1: Develop an Operationally Useful Results Framework**

Effective Date: 01/31/2003

Operating Units should adapt the high-level Results Framework approved in the Strategic Plan by adding additional detail that further demonstrates the causal linkages between planned activities (at the operational level) and the approved results (at the

Strategic Objective level). An Operating Unit can develop a more detailed Results Framework by thinking through what other results (at the Intermediate Results level or below) are needed to achieve the approved Strategic Objective, and also identifying the categories of ultimate customers to be affected by each result. (see **201.3.7**) An illustrative Results Framework is shown in Figure 201D.

#### **201.3.12.6 Activity Planning Step 2: Conduct Activity-level Analyses as Needed**

Effective Date: 01/31/2003

Much of the analytical work needed to plan activities is normally conducted as part of preparing the Strategic Plan. Operating Units should review past Agency and development partner experience, including Agency policy documents, alternative development approaches, best practices, evaluations, and other development literature in designing activities. See comprehensive list of resources in [ADS 200.4](#) and **201.3.9.8**, or consult the Development Experience Clearinghouse (see [ADS 203.3.12](#)) for Agency experience.

\*Additional analysis may be needed before the approval of individual activities. Operating Units should conduct those analyses that they conclude are needed to plan detailed and rigorous activities to achieve the intended results. Topics of analysis may include economic, financial, environmental, gender, the utilization of faith-based and community organizations, other technical, sector, institutional, and/or cost-benefit analyses. Operating Units should determine the type and level of analysis needed. Further description of these potential analyses follows:

- **Economic Analysis.** Economic analysis helps determine whether a particular development program or activity is a worthwhile investment for the country. (see the additional help document, [Economic Analysis of Assistance Activities](#))
- **Financial Analysis.** Financial analysis helps determine the adequacy of the funds and helps ascertain whether monetary benefits are larger than activity costs. This analysis can be used to judge whether activity results will be produced at the lowest practicable costs, and whether potential activities are financially sustainable. Financial Analysis determines if there are adequate funds to achieve results at the lowest practical costs. (see the additional help document, [Guidelines for Financial Analysis of Activities](#))
- **Environmental Analysis.** Drawing upon the previous environmental analysis during strategic planning (**201.3.8.2**) and the information from the pre-obligation requirement for environmental impact (**201.3.12.2** section b), Operating Units should incorporate the environmental recommendations into activity planning. Often additional environmental analyses may be useful to activity design and should be undertaken at this time.
- **Gender Analysis. MANDATORY.** Activities designed following approval of the Strategic Plan must address gender issues in a manner consistent with the

findings of the analytical work performed during Strategic Plan development **(201.3.8.4)**. Findings from gender analysis, such as any actions identified for overcoming potential obstacles to SO achievement, may help to determine how gender needs to be addressed in the activity. Before approving an activity, Operating Units should ensure that those who will implement that activity are capable of addressing the gender concerns identified during strategic and activity planning.

For contracts and grants/cooperative agreements that are issued following a competitive process, this is accomplished by signaling in solicitation documents USAID's expectations regarding gender expertise and capacity, tasking offerors with proposing meaningful approaches to address identified gender issues, and placing appropriate emphasis on gender-related elements of technical evaluation criteria. The following steps must be completed to address this requirement:

**(1)** For each activity subject to approval, the Operating Unit must, in one page or less, outline the most significant gender issues that need to be considered during activity implementation. These issues should reflect consideration of the following two questions:

**(a)** Are women and men involved or affected differently by the context or work to be undertaken?

**(b)** If so, would this difference be an important factor in managing for sustainable program impact?

The statement must describe how these concerns will be addressed in any competitive solicitations financed under the activity, such as Requests for Proposal (RFPs) and Requests for Assistance (RFAs) or Annual Program Statements (APS). Procurements for goods and commodities are excluded from this requirement. The text of this gender statement must be included in the Activity Approval Document. (see **201.3.12.15**)

**(2)** If the Operating Unit determines that there are no significant gender issues, it must provide a brief rationale to that effect in place of the gender statement in the Activity Approval Document.

**(3)** The Approving Official for the activity is responsible for ensuring that the gender statement adequately responds to item #1 in this list. In cases where no gender statement is made (see item #2), the Approving Official-must ensure as part of approving the activity that the rationale is adequate.

**(4)** Before issuing or approving an RFP, RFA, or APS, the Contract or Agreement Officer will



- (a) Confirm that either the gender statement is incorporated into the resulting RFA, RFP, or APS requirements or that the rationale (item #2, above) has been completed as part of activity approval; and
- (b) Work with the Operating Unit or SO Team so that the relative significance of gender technical capacity to the Statement of Work or Program Description is appropriately reflected in the technical evaluation criteria.

For technical assistance and additional guidance on integrating findings of gender analysis into activities, consult the Operating Unit or Bureau gender specialist, or the Office for Women in Development (WID) in the Bureau for Economic Growth, Agriculture, and Trade (EGAT).

### **201.3.12.7 Activity Planning Step 3: Clarify the Role of Partners**

Effective Date: 01/31/2003

The Operating Unit should ensure that it is not duplicating outputs financed by others and that there are no critical gaps in outputs that might compromise achievement of results. In most strategies, USAID is just one of several entities contributing to the achievement of SOs. This is particularly so in the case of public-private alliances. Host country governments, other donors, and private parties play central, if not leading, roles. To clarify that USAID is not solely responsible for the results being achieved and to help make clear who is responsible for which results, Operating Units should include and label IRs necessary for meeting the SO in the Results Framework, even when these are not financed by USAID. (see **201.3.7.3**, and Figure 201D, Illustrative Results Framework) To the extent that USAID success is linked to that of others, it is vital to consider whether their planned results are likely to be achieved and how results complement those of USAID. When contemplating an alliance approach to achieve a result, it is important to carry out due diligence on potential partners. The process of coordinating outputs and results with other entities should begin during strategic planning and continue through activity planning, and may require ongoing effort throughout the life of the SO. (For alliances, see the Parts 1, 3, 4, and Attachment A of the additional help document, [Tools for Alliance Builders](#))

### **201.3.12.8 Activity Planning Step 4: Assess Capacity of Potential Implementing Partners**

Effective Date: 01/31/2003

Operating Units should consider the capacity of potential implementing partners to implement planned functions, including, but not limited to, their capacity for financial management, procurement, and personnel management. Two related but different capacities are important: the ability to produce the desired outputs and the ability to meet USAID financial accountability requirements. Implementing partners may include



- Host country government ministries and agencies;
- Local governments in the host country;
- International organizations and regional organizations;
- U.S. Government entities;
- U.S. colleges and universities; and
- NGOs, PVOs, cooperatives, and commercial organizations.

In addition, activity planning should include examining the applicability of public-private alliances for carrying out key activities, where other parties are using their own resources to work with USAID. These parties include implementing institutions such as those noted above, and a variety of other types of organizations such as

- Local, U.S., or third country foundations;
- Individual U.S. and multinational private businesses, including banks and other financial institutions;
- Host country private businesses;
- Business and trade associations;
- Civic groups;
- Host country parastatals;
- Advocacy groups; and
- Pension funds and employee welfare plans.

When appropriate, host country governments should have major involvement in activity planning decisions, particularly when considering the use of expatriate technical assistance or local non-governmental organizations. In deciding with which host country government or other institutions to work, Operating Units should consider carefully the capacity of these host country institutions to reach and be influenced by ultimate customers over the long term. Host country institution capacity to meet USAID financial accountability requirements is equally critical. If management responsibility for USAID program funds will be assumed by host country institutions, USAID must certify this capacity before transferring funds. (For more information on host country contracting, see [ADS 305](#). For more information on pre-award surveys of potential grantees, see [ADS 303.5.9](#). For more information on procurement and contracts, see [ADS Series 300](#).)

If an Operating Unit determines that adequate host country institutional capacity to implement a particular activity is lacking, the Operating Unit should then carefully reconsider the feasibility of the proposed activity. The Operating Unit may choose to engage external technical assistance to strengthen existing host country institutions, or to help create new institutions when existing capacities are extremely limited. Such institution building efforts often constitute major activities in and of themselves. To weigh options and make informed choices, Operating Units should mobilize significant expert opinion and experience.

### **201.3.12.9 Activity Planning Step 5: Formulate Initial Cost Estimate and Develop Financial Plan**

Effective Date: 01/31/2003

**MANDATORY.** Operating Units must determine the specific inputs required to produce the desired outputs, estimate the cost of these inputs, and decide on the source and method of financing.

Some policies and regulations limit the type of costs that USAID may finance. Salaries of government officials, non-U.S. vehicle procurements, and maintenance of infrastructure are examples of costs that USAID prefers to avoid. (see the mandatory reference, [Policy Guidance on Criteria for Payment of Salary Supplements for Host Government Employees \[88 State 119780\]](#)) Where possible, if such inputs are needed, these should be funded from counterpart funds (i.e., the host government contribution). In addition, regulations related to source, origin, and nationality of goods and services financed with USAID funds will affect the financial plan and, at times, the type of institution selected. (see [ADS 310](#) and [22 CFR 228](#) regarding source, origin, and nationality.)

Since USAID funds are provided on a fiscal year basis, budgets should be broken down by fiscal year, based on planned completion time estimates.

USAID encourages cost sharing, as provided in [ADS 350](#) (Grants to Foreign Governments) and the mandatory reference, [Acquisition and Assistance Policy Directive \(AAPD\) #02-10, Cost Sharing in Grants and Cooperative Agreements to NGOs](#). For grants to host country governments, there are certain cost sharing requirements.

Note that other donors may provide the required counterpart financing. Operating Units should choose an appropriate source of funding for each activity component. Most dollar funds are tied to specific earmarks and directives that may limit their use to specific types of activities. Unrestricted funds, which are not subject to such limitations, are generally in short supply. Activities that only qualify for unrestricted funds will be more at risk if there are future budget shortfalls. In addition to USAID dollar contributions and host country counterpart contributions, in-kind resources provided through Pub.L. 480 Title II and host country-owned local currency (generated by food

aid, commodity import programs, and cash transfers) that are jointly programmed by USAID and the host country may be available to support certain activities.

For more information, see

- The mandatory reference, [Cash Transfers and Interest Earnings \[94 State 205189\]](#).
- The mandatory reference, [ESF Cash Transfer Assistance \[87 State 325792\]](#).
- The mandatory reference, [Financial Management Guidance on Dollar Separate Accounts for ESF Cash Transfers and ESF-, DA And DFA-Funded Non-Project Sector Assistance Cash Disbursements \[90 State 194322\]](#).
- The mandatory reference, [Supplemental Guidance on Programming and Managing Host Country- Owned Local Currency \[91 State 204855\]](#).

#### **201.3.12.10 Activity Planning Step 6: Develop Acquisition and Assistance (Procurement) Plan**

Effective Date: 01/31/2003

**MANDATORY.** Regardless of the scenario (i.e., Scenario A or B in Figure 201H), Operating Units must develop an Acquisition and Assistance (A&A) Plan at the activity level. USAID uses formal instruments or agreements to provide funds to its implementing partners. Some will serve as sub-obligating instruments that bind USAID to a particular course of action. Use of acquisition and assistance instruments is highly regulated and requires GC, Contracting Officer, or Agreement Officer expertise. Operating Units must work with these experts to develop acquisition and assistance plans that will allow them to execute appropriate obligating or sub-obligating instruments as expeditiously as possible. These plans should describe plans for competition or for waivers of competition, and should discuss source and origin requirements, or planned waivers of those requirements. A&A plans should also discuss expected completion dates for all implementing instruments. (see [ADS 202.3.10, 304](#); and the mandatory reference, [FAA Section 604](#).) As provided in **201.3.12.2**, the effective period of instruments may extend beyond the SO end date. Funding and expenditure, however, must not extend beyond the SO end date. Additional funding may be provided under a new or extended SO.

More complex situations involving transfer of USAID funds through several entities in succession (for example, from a Finance Ministry to a Health Ministry to local governments to local contractors and local grantees) may require some type of formal instrument. In such cases, it may be useful to complete a schematic drawing that traces funding flow from USAID to and through the various entities. Such a drawing may be used to clarify relationships and ensure that capacities at each level are assessed according to the outputs they are expected to produce and to show the financial accountability requirements that apply at each level. Full consideration should be given

to using instruments previously established under SOs that have been designed to support other SOs or to establishing new instruments that have this capability. The Operating Unit should structure the formal relationship between all involved partners to

- Maximize the likely impact on customers
- Minimize USAID's management burden
- Minimize audit vulnerability

The end result of this step should be an Acquisition and Assistance (Procurement) Plan that

- Identifies the obligating or sub-obligating instruments that will be used and with which parties they will be used,
- Defines how competition requirements will be met,
- Identifies any waivers of competition or source and origin requirements that may be sought, and
- Outlines a timeline for completion of acquisition and assistance processes and the specific steps needed in each case.

At a minimum, Operating Units should update this procurement plan on at least an annual basis.

#### **201.3.12.11 Activity Planning Step 7: Select Implementing Instrument**

Effective Date: 01/31/2003

Operating Units are responsible for determining, in close consultation with contracting and legal officials, the most appropriate type of instrument(s) to implement an activity based on the purpose of the activity and the relationship USAID intends to have with the implementing partner. To do so, the SO Team should work closely with the Contracting or Agreement Officer, who should make the final decision as to the actual type of instrument.

When funds are not obligated at the Strategic Objective level, the obligating instruments used most frequently are acquisition instruments (contracts) and assistance instruments (cooperative agreements and grant agreements). Other instruments include interagency agreements, grants to public international organizations, loans and loan guarantees, and endowments.

Choosing the implementing instrument is not an exact science, and there is no single factor that determines which of these types is the most appropriate. As provided in

[ADS 304](#), in most cases the primary issue is the intended role or involvement of USAID during implementation of the activity.

In the case of cooperative agreements, USAID may exercise “substantial involvement” in prescribed areas, which provides some additional management control as opposed to a straight grant. Unless a deviation is approved in accordance with [ADS 303.5.3](#) and [303.5.11](#), substantial involvement is limited to

- Approval of the recipient’s implementation plan;
- Approval of specified key personnel;
- Agency and recipient collaboration or joint participation; and
- Agency authority to halt a construction activity immediately.

Once the achieving phase begins, the Operating Unit must manage the relationship with the individual implementing partner according to the rules established by the specific awarded instrument. See [ADS 303](#) for further information on substantial involvement. For more information about choice of instruments, consult your Contracting Office and [ADS Series 300](#).

Figure 201K, Comparison of Types of Implementing Instruments, summarizes the characteristics of the major types of instruments. More complete information is available in [ADS 304](#) and [Series 300 Interim Update #17](#).

**Figure 201K: Comparison of Types of Implementing Instruments**

	<b>Contract</b>	<b>Cooperative Agreement</b>	<b>Grant Agreement</b>
<b>Commonly used Synonyms</b>	Acquisition instrument or award	Assistance instrument or award	
<b>Role expected of USAID during activity implementation</b>	USAID states what goods/services/results it wants to buy and then monitors and evaluates the Contractor's performance in providing these goods/services/results. USAID decides on the requirements and standards and, depending on the type of contract, may provide significant technical direction during contract implementation.	By contrast, USAID has more limited management control when an activity is implemented through assistance awards (grants or cooperative agreements), because the nature of these instruments prohibits USAID from exerting day-to-day operational control over the recipient. The program remains largely the recipient's, with USAID ensuring (before award) that the proposed program supports an SO.	
		Substantial involvement is anticipated between USAID and the recipient during the performance of the proposed activity.	The recipient is to have substantial freedom to pursue the stated program.  Substantial involvement is not anticipated between USAID and the recipient during the performance of the proposed activity.
<b>Nature of the activity</b>	A contract must be used when the principal purpose of the instrument is the acquisition ... of property or services for the direct benefit of USAID or any other Federal Government entity.	There are no clear categories of activities that are better suited for one type of assistance instrument over the other.	
<b>Type of implementing organization</b>	There is no general restriction, but most profit-making firms seek and propose for acquisition awards (contracts).	There is no general restriction, but most non-profit organizations and universities seek assistance awards (grants or cooperative agreements).	
<b>Historical Trends</b>	40 percent of awards**	55 percent of awards**	

\*\* The remaining 5 percent are interagency agreements.

### **201.3.12.12 Activity Planning Step 8: Determine Appropriate Team Management Structure**

Effective Date: 01/31/2003

**Management capabilities.** A key part of planning an activity is determining what management capabilities are needed. The particular skills and level of effort that are needed to manage an activity will vary.

**Management structure.** In most cases, the management unit responsible for an activity is an SO Team. The specific tasks that an SO Team may be responsible for are described in [ADS 202.3.4](#). When seeking approval for activities, it is important to be able to describe who will manage these activities and how the team will be structured to manage them. Team Charters should be adequate for this purpose. In the absence of such documents, or to supplement them, a description of how the Operating Unit will manage activities to achieve specific IRs may be included in the activity approval documentation. Operating Units may consider establishing sub-teams within the SO Team to manage groups of results or groups of activities.

#### **201.3.12.13 Activity Planning Step 9: Additional Planning Considerations**

Effective Date: 01/31/2003

Operating Units should identify and conduct any additional steps and analyses that were not performed during Strategic Plan or SOAG development. There are numerous additional implementation details that are normally considered and documented at the activity planning stage. While most of these issues must be addressed as practical and legal matters before implementing activities, the Agency does not rigidly require that all these considerations be documented at the activity planning stage. Accordingly, internal documentation methods may vary significantly among Operating Units, depending on the nature of the activities and the “comfort-level” of decision-making officials.

At this point in the process, additional planning considerations include

- Identification of authorized signatories who have the authority to represent the parties on implementation letters.
- Assurance that procedures are in place for obtaining specific clearances required for activities in host countries that are not covered by country-level reporting. (see [ADS 203.3.9](#) on Activity Information Sheets)
- Completion of any remaining environmental review requirements described in **201.3.12.2** section b. For example, if an Operating Unit received permission from its Bureau Environmental Officer to defer environmental review at the pre-obligation stage, the Operating Unit must complete the appropriate environmental review – either an Initial Environmental Examination (IEE), Request for Categorical Exclusion (CE), Environmental Assessment (EA), or other appropriate action under the USAID Environmental Procedure – before approving an activity or disbursing funds. (see the mandatory references, [22 CFR 216](#) and [ADS 204](#))

#### **201.3.12.14 Activity Planning Step 10: Determine and Meet Remaining Pre-Obligation Requirements**

Effective Date: 01/31/2003

This step applies only when funds have not already been obligated at the Strategic Objective Level. (see [201.3.12.2](#)) By completing steps one through nine above, Operating Units will have met many of the pre-obligation requirements related to adequate planning. At this point, remaining pre-obligation requirements should be reviewed in detail based on knowledge that is now available on the scope and nature of planned activities, the entities involved, and their proposed relationship with USAID. This review will make it possible to meet the requirements related to environmental reviews, statutory reviews, gender analysis, and Congressional notification. If the obligating official is different from the approving official, it may be helpful to use the additional help document, [Model Checklist for Pre-Obligation Requirements](#). For more information about country prohibitions and restrictions, see **201.3.3.4**.

If an activity will be implemented in one or more host countries but will not be managed by country-based USDH staff and captured in country-level reporting, a standard one-page Activity Information Sheet must be prepared by the Activity Manager, as described in [ADS 203.3.9](#).

#### **201.3.12.15 Activity Planning Step 11: Prepare Activity Approval Document (AAD)**

Effective Date: 01/31/2003

**MANDATORY.** Operating Units must document all program-funded activities in writing through an acceptable Activity Approval Document. The Activity Approval Document certifies that appropriate planning for the activity has been completed. Program-funded activities may cover a range of outputs and encompass multiple A&A instruments.

There is no required standard format for Activity Approval Documents. Different types of documentation may be used in different situations, and are generally referred to as to "Activity Approval Documents." Approving officials, obligating officials, SO Teams, and others who may be involved in the Operating Unit's activity design and approval process are responsible for exercising proper judgment in determining when planning is adequate and sufficiently documented to support activity approval. Any existing Mission Orders may also be consulted to determine the most appropriate documentation for a given Operating Unit. At a minimum, Activity Approval Documents must

- Describe briefly the activity or activities including planned inputs and outputs and the Intermediate Results and Strategic Objective to be achieved with the activity(ies).
- Demonstrate that all pre-obligation requirements have been met. If funds have not yet been obligated, clearly state that no obligation will be incurred before the Congress is properly notified and funds are made available.



- Record approval of any applicable waivers of policy or regulations.
- Clarify who is responsible for management of the activity inside and outside USAID.
- Summarize how the environmental review requirements set forth in **201.3.12.2** section b have been met.
- Outline the most significant gender issues that need to be considered during activity implementation, and describe what outcomes are expected by considering these issues or, if the Operating Unit determines that there are no significant gender issues, provide a brief rationale to that effect.
- Describe the methods of implementation and financing selected as described in [ADS 202.3.8.1](#).

Documentation may be completed for individual activities or for groups of activities. Examples include

- An Action Memo encompassing one or more activities and including descriptive documentation that meets the minimum requirements above.
- A Modified Acquisition and Assistance Request Document (MAARD) signed by an authorized official with supporting Appendices that meet minimum documentation requirements. Appendices could include an offeror's proposal, waivers, and additional documentation prepared by the Operating Unit.
- A cable authorized by the approving official that provides approval for specific activities with the minimum documentation specifically referenced in the cable.
- A bilateral obligation instrument such as a SOAG when the USAID obligating official is the same as the approving official and adequate documentation describing the activities is explicitly referenced in the agreement. If not explicitly referenced, a separate action memo should be used.
- An Implementation Letter under a bilateral obligating agreement (SOAG). Minimum documentation should be annexed or explicitly referenced, and the letter should be signed by a USAID official authorized to approve the activity.

Since the AAD is a document internal to the Operating Unit, the Operating Unit has the authority to amend it as needed. Often one approval document can cover multiple activities to avoid repetitive approvals while also leaving clear audit documentation.

**201.3.12.16 Activity Planning Step 12: Obtain Formal Approvals/Approve Activity**

Effective Date: 01/31/2003

**MANDATORY.** An activity must be approved by an individual who has the appropriate authority or who has been formally delegated the authority. Consult Delegation of Authority, Mission Orders or their Washington equivalents to determine who may approve activities and who must clear approval requests. When in doubt, consult GC or Regional Legal Advisors. For more information, see [ADS 202.3.4.4](#) and [103.3.8](#).

**201.3.12.17 Use of Checklists and Clearance Sheets**

Effective Date: 01/31/2003

Some Operating Units, particularly those with highly focused programs and few staff, rely heavily on their Strategic Plans and Results Frameworks, together with the Modified Acquisition and Assistance Request Documents (MAARDs), acquisition and assistance (A&A) requests, interagency agreements and related documentation, to satisfy pre-obligation requirements. One difficulty with this approach is that all of the pre-obligation and activity planning requirements may not be adequately addressed on the record. To address this problem, some Operating Units have adopted as a best practice a concise checklist of pre-obligation and activity planning requirements to confirm to the obligating official that the required documentation has been prepared and specify where it may be found. A copy of such a checklist is provided in the additional help document, [Model Checklist for Pre-Obligation Requirements](#).

Some Operating Units in the field also use special clearance requirements and clearance sheets to help ensure that all requirements are met before obligation and activity approval. Clearances by specified officers (such as the Program Officer, Controller, Legal Officer, Contracting Officer, and other SO Team members) are used to confirm to the obligating and approving officials and for the record that pre-obligation and activity planning requirements have been met and that obligating instruments contain all necessary clauses consistent with law, regulation, and policy, including counterpart funding requirements. Such clearances may accompany a bilateral SOAG or be shown on the face-sheet or cover sheet of a MAARD.

**201.3.13 Public Access to Planning Documents**

Effective Date: 01/31/2003

USAID employees are often requested to provide various planning information to stakeholder, partner, customer organizations, and the general public. Staff also receives requests from other Agency Operating Units for planning documentation throughout the year. This section provides guidelines on what planning information can be released to whom and when it can be released.

### 201.3.13.1 Principles Governing Release of Information

Effective Date: 01/31/2003

As a general policy, USAID encourages its staff to include stakeholders, partners, and customers in planning USAID Strategic Objectives and activities. Nonetheless, at some stages of preparation, USAID is required to limit, temporarily, access to planning documents and their review. There are three basic reasons for such restrictions.

- In procurement, issues of organizational conflict of interest and unfair competitive advantage influence the degree to which partner organizations may be involved in activity design. For a full description of these restrictions, see [ADS 202.3.9](#) and the additional help document, [Legal and Policy Considerations when Involving Partners and Customers on SO Teams and Other Consultations](#).

- \*Budget Information. Release of “budget Information” is governed by Section 22 of OMB Circular A-11. It provides that the nature and amounts of the President's budget decisions and the underlying materials are confidential. It prohibits the release of the President's decisions outside of our agency until the budget is transmitted to Congress. It prohibits the release of any materials underlying those decisions at any time, except in accordance with section 22.

\*Budget information is the Executive Branch communications that leads to the President's budget decisions. It includes agency justifications and any agency future year plans or long-range estimates provided to OMB. Do not release Agency justifications and any Agency future year plans or long-range estimates provided to OMB to anyone outside the Executive branch, except in accordance with this section.

\* “Budget information” does not include Agency planning documents, such as planning parameters and operating unit strategic plans in their early stages. The information in such documents is not definite enough to represent an Agency viewpoint. Documents that have been submitted for PPC review are considered planning documents. Therefore, missions and operating units can share funding options and other information with partners and others as they are drafting such planning documents. Documents, which have gone through the PPC review process and have been revised and adopted by the Agency as an Agency decision, become budget information, unless the budget information is labeled as illustrative. Approved documents with illustrative budget information are considered planning documents. See Figure 201L, Guidelines for Managing Access to Planning Information, for more specific guidance.

- Foreign policy sensitivity concerns at the host country level may at times affect release of country-level planning documentation to host country partners and the

host country general public. Consult with Embassy representatives if you believe there may be sensitivity concerns.

### 201.3.13.2 Guidelines for Managing Access to Information

Effective Date: 01/31/2003

For USAID and other U.S. Government employees, there are no restrictions on accessing planning information. Many planning documents are included in the Development Experience Clearinghouse (DEC). For more information about accessing DEC, see [ADS 203.3.12](#). Other documents are posted on the USAID internal or external websites (documents posted on these websites do not include budgetary information).

There are some restrictions about providing access to USAID planning documents to those who are not authorized to perform inherently governmental functions, as summarized in Figure 201L, Guidelines for Managing Access to Planning Information, below.

**\*Figure 201L, Guidelines for Managing Access to Planning Information**

Planning Document	Drafting Stage	Review Stage	Final Document Release
<b>Agency Strategic Plan (ASP)</b>	Operating Units are authorized to distribute draft documents to individuals who are a necessary part of the drafting process.	PPC is authorized to distribute near-final drafts to the USAID partner community for discussion and comment.	No restrictions.
<b>Annual Performance Plan (APP)</b>	Operating Units are authorized to distribute draft frameworks and related documents to individuals who are a necessary part of the drafting and review process.		May be released to external community in final form (February of each year).
<b>Agency Performance Report (APR) or Performance Accountability Report (PAR)</b>	Operating Units are authorized to distribute draft frameworks and related documents to individuals who are a necessary part of the drafting and review process.		May be released to external community in final form (March of each year).
<b>Congressional Budget Justification</b>	Operating Units are authorized to distribute draft documents to individuals who are a necessary part of the drafting and review process.		May be released to external community once it has gone to Congress.
<b>Bureau Planning Framework (if prepared)</b>	Operating Units are authorized to distribute draft frameworks and related documents to individuals who are a necessary part of the drafting and review process.		May be released when approved.

Planning Document	Drafting Stage	Review Stage	Final Document Release
<b>Planning Parameters</b>	Operating Units are authorized to distribute draft documents to individuals who are a necessary part of the drafting process.	Paying particular attention to the sensitivity of releasing pre-decisional information, Operating Units should discuss message contents with host country counterparts and individuals that are a necessary part of developing a Strategic Plan.	Operating Units should take into consideration foreign policy sensitivities when deciding on document release.
<b>Operating Unit Strategic Plans</b>	<p>Operating Units should discuss Strategic Plan direction and content with host country counterparts early and often to confirm host country support and sense of ownership.</p> <p>Operating Units are authorized to distribute draft Strategic Plans and related documents to SO Team members and other individuals who are a necessary part of the drafting process or otherwise have "a need to know." For example, the Strategic Plan might be used to prepare other Agency documents such as the Performance Accountability Report or the Annual Report. Operating Units should be sensitive, however, to issues of Organizational Conflict of Interest.</p>	<p>Attendance at USAID/W Strategic Plan reviews, either as a participant or observer, is restricted to executive branch personnel (including PSCs) and "necessary" non-executive branch personnel, such as contractors, Technical Advisors in AIDS &amp; Child Survival Programs (TAACs), fellows, and non-U.S. Government (USG) Participating Agency Service Agreement (PASA) personnel. A "necessary" non-employee is one used to facilitate review, provide logistical support, or provide a technical capability that is necessary for the review.</p> <p>Strategic Plans may require revisions subsequent to review. The official version of a Strategic Plan is the final version reflecting those changes. The official version must be sent to the Development Experience Clearinghouse (see <a href="#">ADS 203.3.12</a>) so that the correct copy will be released (see the next column).</p>	<p>1. A Strategic Plan may be released outside the executive branch and within a partner country after the release date specified in 2.C. below.</p> <p>2. Operating Units must include on the Strategic Plan cover page of every the following: A. "This Strategic Plan for [country or Operating Unit] was assembled by [USAID/Operating Unit]. This Strategic Plan is a USAID planning document and does not contain budget information that has been approved by the U.S. Government. Budget information contained therein is for illustrative purposes only. B. "Additional information on the attached can be obtained from [contact person and office]." C. "Release Date: [30 days from the date the official version of the Strategic Plan is submitted to the document management service]."</p> <p>3. Operating Unit Strategic Plans will be available in hard copy or electronically (including on the web) 30 days after the Agency receipt of the official version of the plan containing any changes made subsequent to</p>

Planning Document	Drafting Stage	Review Stage	Final Document Release
			review.
Management Agreements and Subsequent Modifications to Them	Operating Units are authorized to distribute draft documents to individuals who are a necessary part of the drafting process.	Operating Units are authorized to distribute to individuals who are authorized to perform inherently governmental functions. (see <a href="#">ADS 202.3.3</a> )	May be released when approved subject to the guidance pertaining to organizational conflict of interest and unfair competitive advantage.
Activity Approval Document	See <b>201.3.12.15</b> for types of Activity Approval Documents.  Operating Units in the field may involve host country counterparts in preparation of Activity Approval Documentation.	Activity Approval Documents are reviewed at the Operating Unit level.	Activity Approval Documents may be released to the public, including bidders, provided that budgetary information that would allow the USG's cost estimate for a particular grant, contract, or cooperative agreement to be ascertained is deleted.  Once all competitive grants and contract actions are completed, the full document may be released to the public.
	Operating Units should be sensitive, however, to issues of Organizational Conflict of Interest.		
Activity Information Sheets (AIS)	Operating Units are authorized to distribute draft AIS to individuals who are a necessary part of the drafting and review process. See <a href="#">ADS 203.3.9</a> .		Documents are available for immediate release except in cases where pre-decisional budget data is involved, in which case they are available the year following the last year of budget data contained in the document.
Annual Reports	Operating Units are authorized to distribute draft Annual Reports to individuals who are a necessary part of the drafting process or otherwise have "a need to know."  Controlling access, either by Sensitive But Unclassified (SBU) designation or higher classification, is strongly discouraged and requires prior Bureau	Attendance at USAID/W reviews, as either a participant or observer, is restricted to executive branch personnel (including PSCs) and "necessary" non-executive branch personnel, such as contractors, non-USG PASA personnel, TAACS and Fellows. A "necessary" non-employee is one used to facilitate review, provide logistical support, or provide a technical capability that is necessary for the review.	The performance data sheets portion of Annual Report may be made available outside of USAID, and will be available in hard copy and electronically (including on the web), on July 1 of the year in which the Annual Report is submitted.

Planning Document	Drafting Stage	Review Stage	Final Document Release
	concurrency. Operating Units who wish to communicate sensitive information are encouraged to use separate cable channels.		
<b>Cover Memo</b>	Access to the Cover Memo should be restricted to those who are authorized to carry out inherently governmental functions. Note: The Cover Memo is not to be used for classified and/or manager-to-manager communications.	To the extent that the Cover Memo is used to identify management or resource issues needing specific USAID/W action/resolution, personnel who are necessary for reviews will have access to the Cover Memo.	The Cover Memo is not for public scrutiny. Operating Units are encouraged to include sensitive performance narrative in the Cover Memo and not in the body of Annual Report.
<b>Bureau Program and Budget Submissions</b>	Operating Units are authorized to distribute draft documents to individuals who are a necessary part of the drafting and review process.		Full BPBS documents are available the year following the last year of budget data.
<b>Agency Budget Submission (to OMB)</b>	Operating Units are authorized to distribute draft documents to individuals who are a necessary part of the drafting and review process.		The full ABS may be available the year following the last year of budget data.

For additional guidance and examples, please consult the additional help document, [Legal and Policy Considerations when Involving Partners and Customers on SO Teams and Other Consultations](#).

#### **\*201.4 MANDATORY REFERENCES**

##### **201.4.1 External Mandatory References**

The external mandatory reference documents mentioned in this ADS chapter are listed below. Due to the interrelated nature of ADS chapters 200-203, please also consult the comprehensive list of documents in [ADS 200.4.1](#).



201 EXTERNAL MANDATORY REFERENCE TITLE	AVAILABLE AT
22 CFR 216, Environmental Procedures	<a href="http://www.access.gpo.gov/nara/cfr/waisidx_03/22cfr216_03.html">http://www.access.gpo.gov/nara/cfr/waisidx_03/22cfr216_03.html</a>
22 CFR 228, Rules on Source, Origin and Nationality for Commodities and Services Financed by USAID	<a href="http://www.access.gpo.gov/nara/cfr/waisidx_03/22cfr228_03.html">http://www.access.gpo.gov/nara/cfr/waisidx_03/22cfr228_03.html</a>
Federal Acquisition Regulation (FAR)	<a href="http://www.arnet.gov/far/">http://www.arnet.gov/far/</a>
Federal Anti-Deficiency Act – 31 U.S.C. Section 1341(a)(1)	<a href="http://uscode.house.gov/DOWNLOAD/31C13.DOC">http://uscode.house.gov/DOWNLOAD/31C13.DOC</a>
Foreign Assistance Act of 1961, as amended	<a href="http://www.usaid.gov/policy/ads/links.html#faa">http://www.usaid.gov/policy/ads/links.html#faa</a>
International Affairs Strategic Plan	<a href="http://state.gov/m/rm/rls/iastrat/">http://state.gov/m/rm/rls/iastrat/</a>
Executive Order 13279, Equal Protection of the Laws for Faith-Based and Community Organizations	<a href="http://www.whitehouse.gov/news/releases/2002/12/20021212-6.html">http://www.whitehouse.gov/news/releases/2002/12/20021212-6.html</a>
Executive Order 13280, Responsibilities of the Department of Agriculture and the Agency for International Development With Respect to Faith-Based and Community Initiatives	<a href="http://www.whitehouse.gov/news/releases/2002/12/20021212-5.html">http://www.whitehouse.gov/news/releases/2002/12/20021212-5.html</a>
OMB Circular A-11, Preparation, Submission, and Execution of the Budget	<a href="http://www.whitehouse.gov/omb/circulars/a11/03toc.html">http://www.whitehouse.gov/omb/circulars/a11/03toc.html</a>
USAID Acquisition Regulation (AIDAR)	<a href="http://www.usaid.gov/policy/ads/300/aidar.pdf">http://www.usaid.gov/policy/ads/300/aidar.pdf</a>

#### \*201.4.2 Internal Mandatory References

The internal mandatory reference documents mentioned in this ADS chapter are listed below. Due to the interrelated nature of ADS chapters 200-203, please also consult the comprehensive list of documents in [ADS 200.4.2](#).

201 INTERNAL MANDATORY REFERENCE TITLE	AVAILABLE AT
Acquisition and Assistance Policy Directive (AAPD) #02-10, Cost Sharing in Grants and Cooperative Agreements to NGOs	<a href="http://www.usaid.gov/procurement_bus_opp/procurement/cib/pdf/aapd02_10.pdf">http://www.usaid.gov/procurement_bus_opp/procurement/cib/pdf/aapd02_10.pdf</a>
Cash Transfers and Interest Earnings [94 State 205189]	<a href="http://www.usaid.gov/policy/ads/200/205189.pdf">http://www.usaid.gov/policy/ads/200/205189.pdf</a>
A Collaborative Approach to Reviewing HIV/AIDS Strategies	<a href="http://www.usaid.gov/policy/ads/200/200max.pdf">http://www.usaid.gov/policy/ads/200/200max.pdf</a>
ESF Cash Transfer Assistance – Amplified Policy Guidance [87 State 325792]	<a href="http://www.usaid.gov/policy/ads/200/325792.pdf">http://www.usaid.gov/policy/ads/200/325792.pdf</a>



201 INTERNAL MANDATORY REFERENCE TITLE	AVAILABLE AT
Financial Management Guidance on Dollar Separate Accounts for ESF Cash Transfers and ESF-, DA and DFA-Funded Non-Project Sector Assistance Cash Disbursements [90 State 194322]	<a href="http://www.usaid.gov/policy/ads/200/194322.pdf">http://www.usaid.gov/policy/ads/200/194322.pdf</a>
Guidance on Complying With the Knollenberg Amendment for Climate Change-Related Programs	<a href="http://www.usaid.gov/policy/ads/200/200maa.pdf">http://www.usaid.gov/policy/ads/200/200maa.pdf</a>
*Guidance on the Definition and Use of the Child Survival and Health Program Funds	<a href="http://www.usaid.gov/policy/ads/200/200mab.doc">http://www.usaid.gov/policy/ads/200/200mab.doc</a>
Policy Guidance on Criteria for Payment of Salary Supplements for Host Government Employees [88 State 119780]	<a href="http://www.usaid.gov/policy/ads/200/119780.pdf">http://www.usaid.gov/policy/ads/200/119780.pdf</a>
Post-Crisis Planning and Implementation—USAID Policies and Regulations	<a href="http://www.usaid.gov/policy/ads/200/200may.pdf">http://www.usaid.gov/policy/ads/200/200may.pdf</a>
Program Assistance	<a href="http://www.usaid.gov/policy/ads/200/prog_ast/proasst.pdf">http://www.usaid.gov/policy/ads/200/prog_ast/proasst.pdf</a>
*Sector Planning Frameworks	<a href="http://www.usaid.gov/policy/">http://www.usaid.gov/policy/</a>
Series 300 Interim Update #17, Choosing Between Acquisition and Assistance Instruments	<a href="http://www.usaid.gov/policy/ads/300/updates/iu3-17.pdf">http://www.usaid.gov/policy/ads/300/updates/iu3-17.pdf</a>
Supplemental Guidance on Programming and Managing Host Country-Owned Local Currency [91 State 204855]	<a href="http://www.usaid.gov/policy/ads/200/204855.pdf">http://www.usaid.gov/policy/ads/200/204855.pdf</a>
USAID – U.S. PVO Partnership Policy Guidance	<a href="http://www.usaid.gov/policy/ads/200/200mau.pdf">http://www.usaid.gov/policy/ads/200/200mau.pdf</a>
*DOS and USAID Strategic Plan, FY 2004-2009	<a href="http://www.state.gov/documents/organization/24299.pdf">http://www.state.gov/documents/organization/24299.pdf</a>
*USAID Political Party Assistance Policy	<a href="http://www.usaid.gov/policy/ads/200/200maz.pdf">http://www.usaid.gov/policy/ads/200/200maz.pdf</a>

## 201.5 ADDITIONAL HELP

The additional help documents mentioned in this ADS chapter are listed below. Due to the interrelated nature of ADS chapters 200-203, please also consult the comprehensive list of documents in [ADS 200.5](#).

201 ADDITIONAL HELP TITLE	AVAILABLE AT
Agricultural Sector Assessments	<a href="http://www.usaid.gov/policy/ads/200/200san.pdf">http://www.usaid.gov/policy/ads/200/200san.pdf</a>
*A Practical Framework: Ten Steps for Analyzing and Integrating Public-Private Alliances Into USAID Strategic Planning	<a href="http://www.usaid.gov/policy/ads/200/201saa.pdf">http://www.usaid.gov/policy/ads/200/201saa.pdf</a>

201 ADDITIONAL HELP TITLE	AVAILABLE AT
Conducting a DG Assessment: A Framework for Strategy Development	<a href="http://www.usaid.gov/policy/ads/200/pnagc505.pdf">http://www.usaid.gov/policy/ads/200/pnagc505.pdf</a>
Donor Coordination Strategies	<a href="http://www.usaid.gov/policy/ads/200/200sad.pdf">http://www.usaid.gov/policy/ads/200/200sad.pdf</a>
Economic Analysis of Assistance Activities	<a href="http://www.usaid.gov/policy/ads/200/2026s6.pdf">http://www.usaid.gov/policy/ads/200/2026s6.pdf</a>
Education Sector Assessment [Volume 5: Strategy Development and Project Design]	<a href="http://www.usaid.gov/policy/ads/200/200sac.pdf">http://www.usaid.gov/policy/ads/200/200sac.pdf</a>
Field Operations Guide for Disaster Assessment and Response	<a href="http://www.usaid.gov/policy/ads/200/fog_v3.pdf">http://www.usaid.gov/policy/ads/200/fog_v3.pdf</a>
*FY2004 USAID Statutory Checklists (Template for Country Checklist and Assistance Checklist)	<a href="http://www.usaid.gov/policy/ads/200/202saa.pdf">http://www.usaid.gov/policy/ads/200/202saa.pdf</a>
Guidance for Preparation of Background Assessments on Biological Diversity and Tropical Forests for Use in CDSS or Other Country Plans	<a href="http://www.usaid.gov/policy/ads/200/200sbh.pdf">http://www.usaid.gov/policy/ads/200/200sbh.pdf</a>
Guidelines for Financial Analysis of Activities	<a href="http://www.usaid.gov/policy/ads/200/2026s5.pdf">http://www.usaid.gov/policy/ads/200/2026s5.pdf</a>
Guidelines for Strategic Plans	<a href="http://www.usaid.gov/policy/ads/200/statplan.pdf">http://www.usaid.gov/policy/ads/200/statplan.pdf</a>
Institutional Development	<a href="http://www.usaid.gov/policy/ads/200/instdev/instddev.pdf">http://www.usaid.gov/policy/ads/200/instdev/instddev.pdf</a>
Introduction to Food Security Analysis	<a href="http://www.usaid.gov/policy/ads/200/200sab.pdf">http://www.usaid.gov/policy/ads/200/200sab.pdf</a>
Legal and Policy Considerations when Involving Partners and Customers on Strategic Objective Teams and Other Consultations	<a href="http://www.usaid.gov/policy/ads/200/2016s1.pdf">http://www.usaid.gov/policy/ads/200/2016s1.pdf</a>
Mitigation Practitioner's Handbook	<a href="http://www.usaid.gov/policy/ads/200/hbkoc18.pdf">http://www.usaid.gov/policy/ads/200/hbkoc18.pdf</a>
Model Checklist for Pre-Obligation Requirements	<a href="http://www.usaid.gov/policy/ads/200/200sar.pdf">http://www.usaid.gov/policy/ads/200/200sar.pdf</a>
Monitoring & Reporting on HIV/AIDS Programs [02 State 046436]	<a href="http://www.usaid.gov/policy/ads/200/200sbl.pdf">http://www.usaid.gov/policy/ads/200/200sbl.pdf</a>
OFDA Guidelines for Grant Proposals and Reporting	<a href="http://www.usaid.gov/policy/ads/200/pvoguide.pdf">http://www.usaid.gov/policy/ads/200/pvoguide.pdf</a>
PD #6, Environmental and Natural Resources Aspects of Development Assistance	<a href="http://www.usaid.gov/policy/ads/200/pd6.pdf">http://www.usaid.gov/policy/ads/200/pd6.pdf</a>
Population Assistance	<a href="http://www.usaid.gov/policy/ads/200/population/populat.pdf">http://www.usaid.gov/policy/ads/200/population/populat.pdf</a>
PPC Summary Description of FAA sections 118(e) and 119(d) Requirements for Preparing Strategic Plans	<a href="http://www.usaid.gov/policy/ads/200/200saj.pdf">http://www.usaid.gov/policy/ads/200/200saj.pdf</a>

201 ADDITIONAL HELP TITLE	AVAILABLE AT
Social Soundness Analysis	<a href="http://www.usaid.gov/policy/ads/200/2026s7.pdf">http://www.usaid.gov/policy/ads/200/2026s7.pdf</a>
Strategic Plan Checklist	<a href="http://www.usaid.gov/policy/ads/200/200sbi.pdf">http://www.usaid.gov/policy/ads/200/200sbi.pdf</a>
TIPS 13, Building a Results Framework	<a href="http://www.dec.org/pdf_docs/PNACA947.pdf">http://www.dec.org/pdf_docs/PNACA947.pdf</a>
Tools for Alliance Builders	<a href="http://www.usaid.gov/gda/tab.doc">http://www.usaid.gov/gda/tab.doc</a>
USAID's Strategy for Sustainable Development: An Overview	<a href="http://www.usaid.gov/policy/ads/200/200sai.pdf">http://www.usaid.gov/policy/ads/200/200sai.pdf</a>

The additional help websites (links) and e-mail addresses mentioned in this ADS chapter are summarized below.

ADS SECTION	DESCRIPTION	AVAILABLE AT
201.3.2.3	U.S. Department of State	<a href="http://www.state.gov/">http://www.state.gov/</a>
201.3.2.3	U.S. Agency for International Development (USAID)	<a href="http://www.usaid.gov/index.html">http://www.usaid.gov/index.html</a> , or <a href="http://inside.usaid.gov">http://inside.usaid.gov</a> (only available within the USAID firewall)
201.3.2.3	Office of the President	<a href="http://www.whitehouse.gov/">http://www.whitehouse.gov/</a>
201.3.9.8	Center for Development Information and Evaluation (CDIE) Online	<a href="http://cdie.usaid.gov/">http://cdie.usaid.gov/</a> (only available within the USAID firewall)

## 201.6 DEFINITIONS

Effective Date: 01/31/2003

(see comprehensive list contained in [ADS 200.6](#))

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<sup>1</sup> Figure 201D is titled, “Illustrative Results Framework.” This figure depicts a flowchart that represents a sample USAID Results Framework. The Results Framework depicts an agriculture program, where USAID supports a series of results that promote innovation by small farmers. Such results include access to commercial capital. Another set of results addresses the strengthening of farmer associations; another, the development and spread of innovative technologies; and yet another, improvements to the overall policy environment. The Results Framework provides more detail than might be shown at the time of formal approval, but it illustrates how a Results Framework can be operationally detailed enough for implementation purposes. The figure also illustrates how a Results Framework can identify results partially or entirely funded by donors other than USAID.

Six major levels are shown: the Agency Pillar level, USAID Program Goal, Agency Objective level, the Strategic Objective level, the Intermediate Result (IR) level, and the sub-Intermediate Result level.

The flowchart portrays the Agency Pillar (in this case, “Economic Growth, Agriculture and Trade”) as the first box at the top of the figure. Below this is a box for the Agency Objective (in this case, “Agency Objective 1.2, More rapid and enhanced agricultural development and food security encouraged”). Below this is a box for the Strategic Objective (“Increased use of improved production practices by farmers in the Upper River Zone (6 years)”), with an arrow flowing upwards into the Agency Objective box.

The next level in the flowchart depicts boxes for the IR-level results, with arrows flowing upwards into the Strategic Objective box. The four IRs shown are (1) IR 1: “Farmers’ access to commercial capital increased (5 years)”; (2) IR 2: “Farmers’ transport costs decreased (5 years)”; (3) IR 3: “Community control over local resources increased (5 years)”; and (4) IR 4: “Farmer’s knowledge about production options increased (4 years).”

The next level in the flowchart depicts boxes for sub-IRs. IR 1 has two sub-IRs: (1) IR 1.1: “Farmers’ capacity to develop bankable loan applications increased (4 years)”; and (2) IR 1.2: “Banks’ loan policies become more favorable for rural sector (3 years).” These two sub-IR boxes have arrows flowing upwards into the IR 1 box.

IR 2 has two sub-IRs: (1) IR 2.1: “Village associations’ capacity to negotiate contracts increased (4 years)”; and (2) IR 2.2: “Input/output markets liberalized (3 years) *Achieved in collaboration with the World Bank.*” These two sub-IR boxes have arrows flowing upwards into the IR 2 box.

IR 3 has two sub-IRs: (1) IR 3.1: “Village associations’ control over local resources increased (4 years)”; and (2) IR 3.2: “Role of forestry agents in the Upper River Zone changed from regulatory to outreach (2 years) *host government.*” These two sub-IR boxes have arrows flowing upwards into the IR 3 box. IR 3.1 also has an arrow flowing into the IR 2.1 box.

IR 4 has two sub-IRs: (1) IR 4.1: “New technologies available (4 years) *World Bank*”; and (2) IR 4.2: “Farmers’ exposure to on-farm experiences of peers increased (3 years).” These two sub-IR boxes have arrows flowing upwards into the IR 4 box.

The flowchart explains that partner(s) are solely materially responsible for IR 3.2, IR 4.1, and IR 1.1.1.1. USAID plus partners are materially responsible for IR 2.2. USAID is solely materially responsible for all the remaining boxes.

Finally, several critical assumptions are listed: (1) market prices for farmers’ products remain stable or increase; (2) prices of agricultural inputs (fertilizer, seeds) remain stable or decrease; (3) roads needed to get produce to market are maintained; and (4) rainfall and other critical weather conditions remain stable.

<sup>2</sup> Figure 201F is titled “Ways of Obligating Funds.” The figure has two large shaded boxes, each of which represents a common process or scenario for obligating funds.

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Scenario A has three levels, represented by a large oval ("SO"), a box ("SOAG or other obligating instrument at SO level"), and four small boxes (labeled "cooperative agreement," "grant," "contract," and "implementation letter"). There are labels on the left side, which clarify that the oval is at the "SO Level" while the four small boxes are at the "Activity Level." Different kinds of lines connect the three levels. A double line connects the SO oval to the large box, and the key explains that a double line indicates, "obligate funds." A dotted line connects the large box to the four small boxes, and the key explains that a dotted line indicates, "commit and expend funds (can move funds among instruments)." The key also explains that large check marks indicate, "meet pre-obligation requirements." In Scenario A, there is only one check mark, at the middle box. The point of Scenario A is that pre-obligation requirements are only met once, at the SO level, if a SOAG or other SO-level obligating instrument is used. There is flexibility to move funds among specific instruments at the activity level.

Scenario B only does not have the middle level of the diagram. Double lines connect the SO oval directly to the boxes at the activity level. There are only three little boxes, labeled "cooperative agreement," "grant," and "contract." The check marks for "meet pre-obligation requirements" are placed at each of the three activity-level boxes. The point of Scenario B is that if individual instruments obligate funds, then pre-obligation requirements will have to be met while simultaneously meeting activity planning requirements for those instruments.